

# THE DEPARTMENT OF STATE



# Bulletin

Vol. XXXIX, No. 1010

November 3, 1958

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

## Secretary Dulles' News Conference of October 14

Press release 614 dated October 14

*Secretary Dulles:* I have a short statement. Mimeographed copies will be available as you leave.<sup>1</sup>

The United States welcomes the Chinese Communist decision of October 12 to continue to suspend the shelling of Quemoy. We hope that this suspension will in fact be for more than the 2 weeks mentioned. Short suspensions of armed attack do not provide a solid foundation upon which to stabilize the situation in the interest of peace.

The Peiping cease-fire order says that the American nation is a "great nation" and that its people "do not want war. They welcome peace." That is very true. So we shall strive for peace consistently with the honorable performance of our obligations to our allies and to world order.

It is, however, not easy to reconcile these basic obligations of ours with the announced Chinese Communist objectives. The Chinese Communists' statement again makes it crystal clear that their objective in the Far East goes far beyond the offshore islands and has as its primary, if not exclusive, purpose to take over Taiwan (Formosa).

The offshore islands are treated as a matter of indifference. Indeed, the statement says that the suspension of shelling is "to enable our compatriots on Quemoy, both military and civilian, to get sufficient supplies, including food and military equipment, to strengthen their entrenchment."

The main theme constantly reiterated is that the Americans must abandon Taiwan and their alliance with the Republic of China made for the defense of Taiwan and "go home."

The United States remains loyal to its treaty of mutual security with the Republic of China. It believes that this treaty is not just an intergovern-

mental arrangement but one that is responsive to the aspirations of all Chinese who cherish freedom. Now questions.

### Question of Reduction of Garrisons

*Q. Mr. Secretary, there has been a lot of interest in the question whether the United States feels that there is now a basis for reducing the garrisons on Quemoy and Matsu, particularly Quemoy. What is United States policy on that problem now?*

A. I would not say we had a United States policy at all on the problem. It is primarily a matter for the Republic of China to decide. I have made no secret of the fact that over the past the United States has been inclined to feel that the troops there were excessive for the needs of the situation, and that view we still hold. But the Republic of China holds its views, and, after all, it is its territory that is primarily involved. The statement I just made indicates that I really think this question is somewhat exaggerated in its importance. It is very strange, if it is as important as some people think, that the Chinese Communists should have suspended the shelling in order, as they say, to enable the people in Quemoy to get more military equipment and to dig in and entrench themselves more firmly.

*Q. Mr. Secretary, over the weekend Governor [Thomas E.] Dewey suggested that the question of the offshore islands might be settled by the World Court. Would you favor such an action?*

A. I made clear in my speech recently in New York,<sup>2</sup> and elsewhere, that the United States believes in invoking the provisions of the United Nations Charter, which call for settlement by media-

<sup>1</sup> The following six paragraphs were also released separately as press release 613 dated Oct. 14.

<sup>2</sup> BULLETIN of Oct. 13, 1958, p. 561.

tion and judicial means, among others, of disputes which might have international consequences. We adhere to that view in relation to the Quemoy situation. The Communists have never been willing to submit any case to the World Court, and I doubt whether that is a practical avenue of approach that offers much hope. Nevertheless, we have extended that idea.

*Q. Mr. Secretary, have you urged or do you intend to urge Chiang Kai-shek to reduce the military strength of forces on Quemoy?*

A. We have no plans whatsoever for urging him to do that, although no doubt there are discussions that are going on over there probably at the present time between Secretary [of Defense Neil H.] McElroy and others as to the most useful disposition of the forces of the Republic of China. But I would not want to give the impression that we are pressing or plan to press the Republic of China to do something against its own better judgment. The important thing to bear in mind here is, as this Chinese Communist statement makes clear, what the Communists are working for now is primarily to drive a wedge between the Chinese on Taiwan and the United States. They say that that is their political objective, that is now the way they are going to try to get us out of the area. We must be very careful not to play the game of the Communists in this respect.

*Q. Mr. Secretary, did you talk to Governor Dewey about the World Court idea at any time?*

A. No.

*Q. Mr. Secretary, you said we had extended that idea with the idea of judicial settlement. You mean formally extended it to the Communist Chinese at Warsaw, for example?*

A. I am sorry that, under the rules under which that Warsaw conference is being held, I am precluded from giving any specific statements about what we have done or said there; but I think you can draw certain inferences from what I have said.

*Q. Mr. Secretary, in response to the question about Governor Dewey's World Court suggestion, the question was based on Formosa, and you referred in your answer to Quemoy. Is there anything significant to that or does that apply to Formosa? He was suggesting World Court determination as to the status of Formosa.*

A. I did not so understand it.

*Q. I think I am wrong on that.*

*Q. Mr. Secretary, Mr. Dewey also said that he thought that we would agree to the submission to the World Court and the Chinese Nationalists would too. Do you think the Chiang Kai-shek government would agree to submitting it to the World Court?*

A. I have no idea at all.

*Q. Mr. Secretary, this morning the wires out of Formosa were saying that Chinese Nationalist publications, presumably from official sources, said, in fact, that Chiang Kai-shek was willing to reduce his garrisons at Quemoy and Matsu provided the United States would guarantee their protection with American military aid. Can you comment on that? Is that in a state of negotiations between Secretary McElroy and Chiang Kai-shek?*

A. I do not think that any political negotiations are being conducted there by Secretary of Defense McElroy. I am not aware of that fact, and I think I would be aware of it if there were such negotiations.

*Q. That would be political?*

A. Yes.

*Q. Mr. Secretary, following that up, there have been reports, however, that the Secretary might be looking for a formula whereby they reduce the amount of their troops on Quemoy and Matsu in exchange for an increase in firepower. Could you comment on that, please?*

A. That would be entirely a military matter. We are constantly in our own military establishment striving to find ways whereby manpower can be reduced and firepower increased. We have to some extent found those ways. We have discussed similar ways with our allies in Europe, and it would not be surprising if they were being discussed with our allies in Asia. But I am not aware of just what, if any, discussions of that sort are going on.

*Q. Mr. Secretary, has there been any indication that the garrison on Quemoy is possibly making any deal with the mainland?*

A. We have no evidence at all to that effect.



On the contrary, all the evidence that we have is that the morale is very high and anti-Communist feeling is running very strong.

*Q. Mr. Secretary, to clear up that one point, sir, generally a saving in manpower is effected through the use of atomic weapons. Did you mean in the discussions in the Far East that the placement of weapons with atomic capability is being discussed?*

A. No.

#### **Foreign Policy and the Congressional Campaign**

*Q. Mr. Secretary, there is considerable discussion these days as to whether it is wise or not to let foreign policy be injected into the present congressional campaign. Could you comment upon this?*

A. I do not think that it is wise that current aspects of foreign policy should be injected in the campaign. I think there are some basic problems of foreign policy which can be discussed in terms of underlying principles. But when you begin to discuss what you might call current aspects, topical aspects, of foreign policy during the campaign, I think that is highly undesirable.

I saw a statement that ex-President Truman made on that subject this morning, and I want to say I am in complete agreement with the point of view he expressed. I also would like to take this occasion to express my own appreciation of the very strong statements which he has made, both in support of the position we took in Lebanon and in support of the position we have taken in relation to Quemoy and Matsu.

*Q. Mr. Secretary, in that article this morning, President Truman said there had been some "speeches" of what he described as "narrow and harmful partisanship" made, and he said he hoped the administration would stop this. Are you making any effort with the President or Vice President, members of the Cabinet, or the Republican National Committee to keep these topical references out of campaign speeches?*

A. Well, my general views about this subject are well known. I myself have not taken part, as I think you ladies and gentlemen know, in any political aspects of the campaign. In the 1956 presidential election, I did not take part at all,

nor am I taking any part this year. There are statements being made on both sides, and when a statement is made on one side it is hardly practical to prevent an answer being made from the other side. I would hope that both sides would calm down on this aspect of the debate.

*Q. Have you discussed it with the President or at a Cabinet meeting?*

A. We have discussed the general topic, yes, of trying to keep foreign policy out of partisan debate.<sup>3</sup>

*Q. Mr. Secretary, is the thinning down of Chiang's garrison on Quemoy the absolute limits of our bargaining position?*

A. Bargaining with whom?

*Q. With the Chinese Communists.*

A. Well, I don't think that that has anything to do with bargaining with the Chinese Communists. The Chinese Communists have said, "Bring all the supplies, entrench your position all you want to in Quemoy." There is nothing whatsoever to indicate that there is any bargaining position in that whatsoever with the Chinese Communists. The question of the disposition of troops is entirely a matter of what is the most effective, efficient use of available forces. The question is whether, given the number of forces that are there, is it more effective to have them in their present numbers on Quemoy and Matsu or to have a greater number on Formosa, which would have greater flexibility and greater range of action under certain contingencies and they could go back to Quemoy if the necessity came. It is a military problem of the disposition of forces. I have no evidence whatever to suggest that there is in that any basis whatever for bargaining with the Chinese Communists.

*Q. Mr. Secretary, if the Chinese Nationalists did not reduce their forces on these islands, how will the situation in the Far East be different than it was before the shooting started?*

A. Well, it is different in the respect that the Chinese Communists have learned through actual experience that Quemoy is a hard nut to crack, that they are up against strong will and resolution, and they may have decided to try other

<sup>3</sup> See also p. 687.

means. Now I do not say that steps cannot be taken to assure that these islands will not be a source of provocation, as I said before, or that they would not be "a thorn in the side of peace." Actually very little, if anything, has been done from these islands in recent months to make them a thorn in the side of peace. They have not been used to blockade the ports of Amoy or Fuchow. They have not been staging commando raids from them or trying to infiltrate agents from them. I think the situation in that respect can be clarified, but there is not a great deal to be done. We are not in favor of turning over these islands to the Chinese Communists. After all, there are 45,000 civilians (on Quemoy alone) who would have been turned over and who don't want to be turned over. We are not in the business of giving away people, even if the Republic of China would agree.

We have to be very careful to handle this in a way which, on the one hand, avoids anything which can reasonably be regarded as provocative of war or causes irritations, which would almost inevitably provoke violent reactions, and, on the other hand, avoids exhibiting a weakness which would instill concern throughout the Far East as to what our purposes were.

I think we can find a course which will be along that route and that there is no reason to anticipate that there will be provocations from these islands. But I do not think that there is much in the way of a bargaining position with the Communists in that respect, because, as I emphasize in all of our talks, whether at Warsaw or elsewhere, in every statement that they have made there has been nothing whatever to suggest that you could strike a bargain with the Communists in terms of these islands. They are gunning for something far bigger than that—they want to drive the United States from the Western Pacific. That is what has been made clear by the statement made only a few days ago by the Chinese Foreign Minister, reinforced by this statement of Sunday. They are thinking in those terms. And I think it is up to us, also, to think in those same terms and not get our sights so minute, upon a little thing, that we overlook the big thing which is at stake in this situation.

#### **Application of Treaty With Republic of China**

*Q. Mr. Secretary, is it correct that under the mutual defense treaty with Chiang we have a veto*

*power over aggressive actions from Formosa and the Pescadores? Does that also apply to the off-shore islands which are not named in the treaty?*

A. I think that it does. That's my recollection. You say a "veto power"? It is agreed, I think, that neither of us will use force for purposes other than emergency action as against attack, except through joint agreement. It is a reciprocal agreement. It doesn't give us an exclusive veto power; it works both ways.<sup>4</sup>

*Q. Then could the U.S. give assurances that it would not approve provocative or aggressive actions toward the mainland from the offshore islands under the treaty?*

A. I think technically that we could, and, indeed, I think we have made it clear that we do not intend to agree to provocative action of that sort. Whether we could make an arrangement that would be binding upon us in the future, I don't know. I would somewhat doubt that. But the existence of that arrangement does provide assurance to all people who have confidence that the United States does not favor aggression. I think we have made it abundantly clear that we do not favor aggression, and wherever we have an opportunity to apply that principle against the use of force for aggressive purposes, we do it. We would use our rights and prerogatives in this respect in that same sense.

*Q. Mr. Secretary, just before the Red Chinese cease-fire offer, I think you made it pretty clear that, if there were a cease-fire, certain good consequences would flow. And now today you seem to be saying that the thinning out of forces is not part of the bargaining position here on either side. And I wonder now, sir, if you could say what the Red Chinese can expect in the way of further developments now that a cease-fire has been put forth.*

A. Well, let me just beg of you this: We are conducting a negotiation, a tough negotiation, with the Chinese Communists, and you are asking me here to expose to all of you and, in that way, to the Chinese Communists, just what our bargaining position is, just what we will do and what we won't do. Now I am anxious to throw all the

<sup>4</sup>For background and text of the treaty, see BULLETIN of Dec. 13, 1954, p. 895.

light I reasonably can on the situation, but I just can't destroy our whole bargaining position by giving an advance preview of it to the Communists via this press conference.

#### **New Chinese Communist Tactic**

*Q. Mr. Secretary, you have said that the new Chinese Communist tactic could drive a wedge between us and our Nationalist allies. Could you amplify that a bit? In what way? I mean, is it going to be a political attack, or is it under way, or is it going to involve more than the Chinese Nationalists, or what?*

A. The Communist statement says that they must conduct efforts day by day, week by week, gradually to educate the Chinese on Taiwan, in particular, to the fact that the Americans are really their enemies, and that the Chinese should all be one happy family together, and that the thing to do is to kick the Americans out, tell them to go home. That is what they announce as their program. I suppose they will carry it out by propaganda, by subversive agents, and so forth. They have been trying to do that in the past with, I think, no significant success. But the statement, at least if you take it at face value—as probably you can't—would indicate that that is where they are going to concentrate from now on.

Now, as I say, and as they say, this may be just a trick. We are dealing with very shifty people. I am not certain how much reliance is to be placed upon the Sunday statement. Maybe that is just to get us thinking along other lines, and then they may resume this armed attack again suddenly. They say, "It is up to us to decide when we fight and when we stop fighting." So that there is nothing very solid in their position that we can depend upon. But they do say at least that they intend to concentrate upon propaganda and subversive efforts designed to woo the Chinese so that they will get rid of the Americans.

*Q. Mr. Secretary, if there is a de facto truce in the Formosa area, do you expect there will be probes in other parts of the Far East by the Chinese Communists—in Indochina and Malaya and other places? Have you any evidence of that?*

A. I think that there is less likelihood of that because of the fact that we did stand firm here and that this particular probe, at least for the moment, doesn't seem to pay off for the probers.

*Q. Mr. Secretary, do you think perhaps your remarks at your last news conference, with respect to Chiang's prospects of getting back to the mainland, might have induced the Communists to try this wedge-driving process you now speak of?*

A. I do not think so. There is nothing to indicate that, certainly. I think that one has to be careful not to make statements which will be misinterpreted in Taiwan, and it is very easy to have that happen. But I do not think, in fact, that that was a consequence of what I said.

*Q. Mr. Secretary, I have a question on freedom of the press, please. In the Worthy passport case in the District Court, the pleadings argue that freedom of the press is merely freedom to publish and not freedom of access to news sources as by foreign travel. Could you throw some light on that and on what seems to be its discriminatory application, since, while Worthy is refused the passport for refusing to say that he won't go to China with it, another American newspaperman, without having his passport withdrawn, is running a series in the Washington News on a visit to Red China?*

A. I am not very familiar with the Worthy case. I do know that passports to go to mainland China were issued to an appreciable number of newspaper people about a year ago, I think, or thereabouts. I think they originally ran out, and I think their renewal has now been authorized. So that there are representative newspaper people who are authorized to go to China. I did not know that any of them had received visas.

*Q. Mr. Secretary, are you saying that the apparently widespread interpretation after your last news conference 2 weeks ago that, if the cease-fire changed, Chiang might be encouraged to get some of his troops off Quemoy—that that interpretation was wrong?*

A. No, I believe that, if there is a dependable cease-fire there, quite a few things will happen as a natural consequence of that. At the moment it doesn't seem to be very dependable when it is only done first for 1 week and then for 14 days. But I believe that, if there were anything like a dependable cease-fire in the area, there would automatically, almost as a matter of cold logic, come about quite considerable changes in the situation.

*Q. Mr. Secretary, on another subject, have you considered going to Geneva at any stage in the negotiations with the Soviet Union on the test ban due to begin the end of the month?*

A. Naturally, I have given thought to that in view of the suggestion that was made by the Soviet Union. And I would certainly go there if I felt that my presence was necessary or helpful to assure the success of that conference. At the moment I do not see that that is likely to be the case. But I keep an open mind on the subject. There are very many aspects of it. Certainly the initial aspects are, I think, highly complicated, highly technical, where I am not versed at all. I believe that the group we will have there, headed by Ambassador Wadsworth, will be able to bring to bear the knowledge that is required, and devote to it the time that is required, to a better degree than I could. But if a situation should arise making it seem desirable for me to go there, I would certainly be prepared to go.

*Q. Mr. Secretary, you have spoken of a reasonable, dependable cease-fire. Could you give us your requirements for that and some idea of the duration of the cease-fire before you would feel that a reasonable cease-fire had come about?*

A. I doubt whether I could usefully try to answer that question. What is dependable, when you are dealing with the Communists, is a very difficult question indeed. It is made up of quite a few components, not merely what they say, but on what they do, and upon what other people do as indicating that violations might carry with them economic or political sanctions of a kind which the Chinese Communists wouldn't like. It is a complex business. But, as I say, if the total of it all added up to something that we felt that we could rely upon and that efforts would not be used by the Communist side to take these islands by force, then I think one can see that logically certain consequences would flow from that.

#### Arab League

*Q. Mr. Secretary, on another subject, there has recently been made an attempt to revive some of the functions of the League of Arab Nations, and Tunisia and Morocco have joined it. Is this, in your view, a welcomed development? What useful purposes could the Arab League fulfill on this in your view?*

A. In relation to Tunisia and Morocco?

*Q. In relation to the area as a whole. The point of my question is, is it your view that the Arab League would be a useful instrument to facilitate the peaceful change and otherwise serve the purposes of peace in the area?*

A. I think it could be, yes. We in general favor, and indeed the charter of the United Nations favors, the development of regional associations, and it calls for the solution of differences by regional associations if that is practical. At this last special emergency meeting of the General Assembly the unanimous vote was obtained in the last analysis because the members of the Arab League came together and agreed upon a resolution which was acceptable to them all and consequently was acceptable to the General Assembly.

Now that illustrates, I think, that they do have a potential of being constructive and helpful. Whether they always will be or not is a question.

*Q. Mr. Secretary, if the loss of Quemoy and Matsu would be so weakening and be so disastrous to the free-world alliances, why do you think it is that more of our allies do not see their own interests in the Nationalist Chinese retention of the islands?*

A. I think that most of our allies, indeed, all their governmental representatives, either foreign ministers or ambassadors, that I have talked to—and I have talked to quite a few—have been in entire accord with the position which we have taken there of strength and resoluteness and not giving in. There have been some public statements of that sort made which, however, didn't seem to make our press.

*Q. Mr. Secretary, a few moments ago you spoke on the desirability of having both the Republican and Democratic leaders calm down on discussing topical foreign policy issues, and you said it would be all right to discuss what you considered to be the general principles on both sides. What would you think of a statement such as this: "The Acheson-Truman foreign policy resulted in war and the Eisenhower-Dulles policy resulted in peace"? Now this comes from a speech last night by Vice President Nixon, and he explained that he said this in answer to the statement put out*



*over the weekend by the Democrats. My question is, does this statement fit within the limits that you would hope both sides would observe?*

A. Well, both statements might fit without the limits which I hope both sides would observe.

[The Department of State on October 15 (press release 616) released the following statement by Secretary Dulles.

Statements which I made at yesterday's press conference have been interpreted in some quarters as implying criticism of Vice President Nixon for having replied last Monday to the foreign policy challenge issued on Sunday by the Democratic Advisory Committee.

Actually, my criticism applied to that Committee, although I refrained from naming it. It had injected foreign policy into the political campaign in a manner that required, indeed specifically called for, an answer.

In my press conference, I expressed the view that, in the interest of the Nation, foreign policy should be kept out of partisan politics. But I went on to say, "When a statement is made on one side it is hardly practical to prevent an answer being made from the other side." It was the statement issued by the Democratic Advisory Committee challenging Republicans to "defend" the administration's foreign policy that evoked the answer from the Vice President. In those circumstances I fully concurred in the need for that answer. I would, however, have preferred it if the Democratic Advisory Committee had not issued its highly partisan political challenge, so that no reply would have been required.

The Vice President's statement made quite clear that he, too, does not favor injecting foreign policy into politics and that he only replied because, he said, "those in the Democratic Party who insist on making foreign policy an issue in this campaign have left us no choice." He paid tribute, as did I, to the many Democrats who have acted without partisanship in respect of foreign policy. It is essential that this should continue, for if there is partisan division in this field the results would be disastrous for the Nation.]

*Q. Mr. Secretary, did you have any word from the Norwegians that influenced your statement in your press conference of last week on the thinning down of forces in Quemoy and Matsu?*

A. I have had talks with the representatives at the United Nations of a large number of foreign countries, including the Foreign Minister of Norway, Mr. [Halvard] Lange, who is a man whom I greatly respect and admire. From all of them I have gotten comment or observations about how they think the problem should be solved. But I have not gotten from any source anything to indicate that a deal could be made with the Communists which was confined to the Quemoy or Matsu situation.

#### **Settling of Taiwan Dispute in U.N. or World Court**

*Q. Mr. Secretary, something you said about the Court a while ago made me think that the United States had suggested this as a possible forum of settlement on the Formosa problem and that Communist China had not been interested in such a procedure. I wondered, going beyond that, whether you have thought of or might take some action to take this whole matter now to the United Nations or, unilaterally, to take it to the World Court.*

A. As the Chinese Communist statement of Sunday made clear and, indeed, as they made clear many times, they are absolutely opposed to any consideration of this matter by the United Nations. They took that position in relation to the Korean war when they were there in 1950, where they claimed it was just a civil war and that the United Nations and the United States were aggressors and they would only discuss this aggression but not any aspects of the civil war. They took the same position in 1955 when the Taiwan Straits situation came up before the Security Council. And in the statement made on Sunday they said that this was no business whatsoever of the United Nations, being purely a civil war.

I am very dubious whether, in the light of that, we could expect a positive solution of this problem through the United Nations. I have always felt that, if there was in this situation a threat of war, we had a duty under the charter to bring it to the United Nations which has that responsibility. As the threat of war recedes, and I hope that it has receded, there is perhaps less reason to bring it to the United Nations, knowing as we do know—not only from these official statements but from unofficial activities of the Chinese Communists—that they are doing everything possible to prevent its being brought in any way before the United Nations and would refuse to accept any resolution by the United Nations on the subject except a resolution condemning the United States and calling upon it to get out of Taiwan. Under those circumstances I do not feel that this present aspect of the matter can constructively be brought to the United Nations.

Now, as far as the World Court is concerned, there is no way the United States can unilaterally



bring it to the World Court. There would have to be action by the United Nations in the Security Council or the General Assembly, which would require two-thirds vote. I'm very dubious whether that would be obtained. There would probably be veto action in the Security Council by the Soviet Union, and probably, in view of the Communists' attitude toward the World Court, it would not be possible to get a two-thirds vote in the General Assembly.

*Q. Mr. Secretary, Senator Mike Mansfield today suggested that, if the negotiations bogged down in Warsaw, you meet with Chou En-lai. Would you be willing to?*

A. I answered that question at my last press conference,<sup>5</sup> and I think that I'd like to stand on that answer. If you don't recall it, I can—

*Q. This is a fresh suggestion.*

A. Well, I have no reason to alter the position I expressed 2 weeks ago.

*Q. Thank you, sir.*

## **U.S. Dependents Authorized To Return to Lebanon**

Press release 627 dated October 18

The Department of State on October 18 authorized dependents of U.S. officials stationed in Lebanon to return to that country. All such dependents were evacuated in June and July 1958.

The Department took this action as a result of the improved conditions which have developed in Lebanon in recent days.

## **U.S. Experts Named for Talks on Preventing Surprise Attack**

The Department of State announced on October 13 (press release 606) that William C. Foster, vice president for public affairs and a director of the Olin Mathieson Chemical Corporation; George B. Kistiakowsky, professor of chemistry at Harvard University and a member of the President's Science Advisory Committee; and Gen. Otto P. Weyland, commander of the Tactical Air Command at Langley Air Force Base, have been asked and have agreed to serve as experts in the

<sup>5</sup> *Ibid.*, Oct. 20, 1958, p. 597.

forthcoming talks, beginning November 10, on the technical aspects of minimizing the possibility of surprise military attack.<sup>1</sup> For the Western countries there will also be experts from the United Kingdom, France, Canada, Italy, and possibly other countries.

## **Economic Officers in Europe Hold Regional Meeting**

Press release 611 dated October 14

A 3-day meeting of senior economic officers from U.S. Foreign Service posts in 25 European countries will be held at Berlin from October 20 to 22. The meeting will bring together the principal officers engaged in economic work at each of the Foreign Service posts involved.

Like similar meetings held in the past, this conference will provide an opportunity for these officers to discuss current European and worldwide economic developments and U.S. economic programs and policies among themselves and with officials from Washington.

Officials from Washington participating in the meeting will include: Douglas Dillon, Under Secretary of State for Economic Affairs; Henry Kearns, Assistant Secretary of Commerce for International Affairs; Foy D. Kohler, Deputy Assistant Secretary of State for European Affairs; and W. T. M. Beale, Deputy Assistant Secretary of State for Economic Affairs.

## **Columbus Day, 1958**

*Remarks by President Eisenhower<sup>2</sup>*

It is an honor to join the Columbus Citizens Committee in this traditional ceremony. As dwellers in this mighty continent, whether in its northern or in its southern half, we cannot fail to honor the memory of Christopher Columbus and acknowledge our debt to him.

Columbus opened the door to the New World, to a new world of opportunity for the millions who have followed the path he blazed. Coming from every land and race and creed, our own forefathers came together and built a nation.

<sup>1</sup> For an exchange of notes between the U.S. and the U.S.S.R., see BULLETIN of Oct. 27, 1958, p. 648.

<sup>2</sup> Made at a wreath-laying ceremony at Columbus Circle, New York, N.Y., on Oct. 12 (White House press release).

Our people have made their own distinctive contributions to mankind. We have forged a new pattern of democracy. We established a new nation, where men were and are free to live their own lives.

Over the decades, blessed by a generous Providence, we have grown in strength and in tradition. We began to believe that we were set apart, a new creation entirely. Surrounded on both sides by two mighty oceans, we developed our productive capacity and flourished in a world of our own.

But in recent years we have witnessed a profound change in the life and attitude of our people. We know that we are no longer living in a "new" world; we are rather living in a part of the whole world, and our fortunes are intimately related to the fortunes of our neighbors overseas—on every continent.

Our wisest men have known this from the be-

ginning. We have always been part of the whole fabric of human life.

As a part of the world's life—and especially with those that, with us, respect human liberty and dignity—we must, if we are to advance our common fortunes, live as a family of equals. Cooperation among us, whether it be in trade for increased prosperity or in the task of protecting our free institutions from aggression, is the common obligation of all. Unless each nation performs this task to the extent of its capacity, then none of us can long live in peace.

But, as long as we are faithful to these self-evident truths, we can proudly say that we are a new world. As long as our minds and hearts are as wide open as the Atlantic Ocean and our understanding as deep, we will continue to welcome new Christopher Columbuses to our shores and with them push forward toward that goal of all mankind, a just and permanent peace.

## Academic Training for the Foreign Service

*Following are remarks made by President Eisenhower at ceremonies dedicating the Edmund A. Walsh School of Foreign Service at Georgetown University, Washington, D.C., on October 13 and remarks made by Deputy Under Secretary of State Robert Murphy at a symposium on foreign service on the same date.*

### REMARKS BY PRESIDENT EISENHOWER

White House press release dated October 13

As President, the highest executive official of this Government, I want to thank the university and the Society [of Jesus] and all of their supporters for the work they are doing in educating soldiers of peace. Certainly this is what we expect our diplomats to do—to be officers of the great army that has as its first business the developing and sustaining of a peace with justice and with honor.

I am told, on figures that were of no later vintage than April 1957, that 87 of your graduates are actively working now in the Foreign Service.

Possibly there have been hundreds through these 40 years. That seemed to be the figure now actively working.

I would hope your number would increase. We need people who will find, in the service of their country and of peace, their great satisfaction. We need people who will apply themselves to understanding that the world, as we saw symbolized in the revolving globe at the entrance to the hall, is a single entity. We need people who are not too much concerned by the immediate considerations of private gain, or the effect on our own particular community of a wool importation, or the bad effect that is caused at times by some intemperate, ill-tempered description of other people in the world. We need people who see that no part, no matter how important, can be greater than the whole. In developing our country they recognize that they must help to develop understanding and knowledge throughout the world; they recognize peaceful intentions, and they are determined to make those intentions reality.

So, to say that I am honored today by the university—that I am complimented by its present-

ing to me its honorary doctorate—is a great understatement. I assure you that the presence here of these dedicated men and instructors and students in this audience is an inspiration, a memory that I shall carry with me.

Thank you.

#### **REMARKS BY DEPUTY UNDER SECRETARY MURPHY**

Press release 608 dated October 13

The Secretary of State has asked me to convey his cordial greetings to the Georgetown University School of Foreign Service and to the participants in this symposium. It is a distinct privilege and inspiration to be associated today with the dedication of the Edmund A. Walsh Memorial Building in this great university.

I would like to discuss the subject "Academic Training and Diplomacy" in terms of the emergence of the new United States Foreign Service which, as a result of the social, political, and technological revolutions of our time, has had to develop capacity in the last decade or two to perform an increasingly important, inclusive, and difficult role. Of course what is true of our American organization applies in varying degrees, depending on a number of factors, to other nations. Our Service has had to assume a more important role because failure of diplomacy to meet the challenge of the times could prove disastrous to our civilization; a more inclusive role because diplomacy today enters into many fields other than the traditional ones of the past; a more difficult role because the extent of specific knowledge demanded in each field is growing and with it simultaneously the need for a broad perspective and understanding of many fields.

The demands on the individual diplomat have increased by virtue of the increases of the demands upon the organization within which he works. The United States State Department today, as an organization, has responsibilities not only in the conduct of traditional consular activities and international relations in the political field but also in diplomatic negotiation and in the policy aspects of such programs as economic aid, military security, science, public information, cultural activities, and many others.

Not only must our Foreign Service personnel engage in programs of such diversity but they

must be equipped to understand the cultures and values of many new and emergent countries and areas of the world which were almost completely beyond the ken of the United States diplomatic service of yesteryear. Also today, and perhaps first in importance, is the driving necessity of understanding the nature, purpose, and methods of the international Communist movement. No Foreign Service officer, no matter where he may be situated, can perform his job adequately without such understanding. I am sure it would be safe to say that Father Walsh, were he with us today, could endorse that statement.

#### **Broadening of the Foreign Service**

The above factors roughly illustrate the scope and dimensions of our new Foreign Service. It is the responsibility of our Government to organize itself and to use its available human resources to meet these new challenges. Since 1954 the State Department has expanded and reorganized to this purpose. Among the most important steps taken has been the broadening of the Foreign Service to bring in such functions as administration, intelligence and research, higher economics and science, among others, under the diplomatic umbrella.

Many positions located in Washington and formerly filled by departmental civil servants have been designated as Foreign Service officer positions and will be staffed by officers subject to Foreign Service regulations, including service anywhere in the world. Many of the departmental civil servants accepted the opportunity to enter the Foreign Service, and the number of diplomatic career positions was increased in this process from about 1,300 to more than 4,000.

It is this group of officer positions of which we are speaking today as being the Foreign Service of the United States. Despite the obvious need to respect economy, it would appear that there will be inevitable growth as new responsibilities are thrust upon us. There is, of course, constant turnover as well. Most of the new blood to be brought into the Service in the future will come in at the entrance level (the class 8 Foreign Service officer) and will be recruited from our colleges and universities. To insure that young men and women throughout the entire country in all types of educational institutions will have access to the Foreign Service, we have established liaison with

nearly 500 colleges and universities. We are interested in the most highly qualified candidates, many of whom will require training in many diversified fields not traditionally connected with diplomacy. A tabulation of the educational background of present Foreign Service officers shows, in addition to the majority trained in the social sciences, such specializations as accounting, biological sciences, science, business administration, engineering, fine arts, journalism, and medicine. The list is likely to become more rather than less diversified in the future and with increased stress on those with administrative skill and training. Our colleges and universities can and do help us to find able young people with diversified skills and interests.

Our written entrance examinations were revised in 1955, shifting emphasis from detailed knowledge in specific fields to a broader testing of the candidate's understanding of the ideas and concepts basic to the development of the United States and other countries and on his ability to write correctly and effectively and to interpret tabular and quantitative data. The large majority of those who pass these written examinations are college graduates. Many have advanced degrees, although there is a small percentage who succeed despite the fact they had only partial or no college education. The subsequent oral examination evaluates the candidate's personality, attitudes, behavior, and ability to think. The examiners are instructed to be skeptical of "parrot-like answers" which may reflect a "cram" course, dogmatic teaching, or rote memorization rather than analytical ability. It is of interest to note that more than 12,000 applications to the Foreign Service were received in 1956 in contrast to 1,200 in 1954, reflecting interest on a countrywide basis and at all economic levels.

The role of the universities and colleges as training centers for this new and broader Foreign Service has consequently been enlarged. Increasing emphasis among educators on dynamic as opposed to static knowledge fits in well with the new approach of the Foreign Service entrance examinations. The humanizing of the humanities and social sciences and the close application of theory to the problems of reality is proving increasingly valuable in the intellectual training and equipment of Foreign Service officers. There is one serious weakness, however, which the De-

partment and the colleges have shared, and that is their failure to emphasize the study of foreign languages.

While I note that Dr. [Leon] Dostert [director of the Foreign Service School's Institute of Languages and Linguistics] is going to talk to us later about "Language Communication in Diplomacy," I do feel it important that I emphasize that in the new career Foreign Service knowledge of foreign languages is indispensable. Each Foreign Service officer is now required to have, or to gain, a working knowledge of at least one modern-world language. We hope in addition that he will have or develop proficiency in the language of the country to which he is assigned.

Despite this increased emphasis on knowledge of foreign languages, however, the Department has been forced to change foreign language from a required to an optional part of the entrance examination. Foreign-language examinations proved such a difficult hurdle to candidates in the past that the Department feared it would lose otherwise potentially excellent officers. Indeed, 70 percent of the new officers who came in under the new examination do not have a useful knowledge of any modern foreign language. The Department has undertaken to train them, adding a considerable burden to its language-training program, which also carries the responsibility of teaching officers the more exotic or hard-to-learn languages.

#### **Training and Career Development**

Of course, the Department of State obviously does not expect that the academic institutions of America can do the entire job of equipping our young people for a Foreign Service career. The needs of the Service and its changing emphasis have required us to set up a Career Development and Counseling Staff and to greatly expand the Foreign Service Institute in order to effectively develop and utilize our manpower. The Career Development and Counseling Staff maintains a continuing evaluation of the performance, abilities, and potential of each officer as he progresses from one assignment to another. It also is constantly assessing both current and future personnel requirements of the Service, coordinating officer potential and Service needs. The Foreign Service Institute provides training for junior, midcareer, and senior officers, study in 31 lan-



guages, and short lecture courses in special fields. An academic year of advanced study at a university, either in connection with an area specialization or in some academic discipline, such as economics or political science, is also made available to officers who show marked potential.

The Department now has 2,600 officer positions in 249 embassies, legations, and consulates scattered all over the world and nearly 1,400 more in the United States. Our first job is to keep these positions filled with the best qualified people and to assure that there is enough reserve manpower to fill positions which are vacated on an emergency basis through incapacitation, illness, or death, as well as to be able to meet unexpected crises in almost any part of the globe. The Department of State does not have a sufficiently large manpower pool to meet both its operational needs and its needed training responsibilities; so training and career development often defer to emergency requirements. We hope this situation will improve, allowing more margin for training.

There is one last point I would like briefly to make. The very nature of the Foreign Service is such that an officer cannot expect to go through his career serving always in the area and in the capacity he would choose. The Department of State, like so many other organizations in our country, is large, compartmentalized, and complex. The problems the individual faces in adapting himself to any organization without blunting his initiative, enthusiasm, and imagination are also very much a part of our Foreign Service. Under present world conditions, when a great number of problems have to be absorbed and coordinated on their way from lower to higher levels of authority, some form of pyramidal hierarchy is inevitable, whether it be called a system, an organization, a corporation, or a bureaucracy. Yet forcefulness, intellectual courage, judgment, and imagination have never been needed more than they are today. Organization is essential to order; individual enterprise is essential to progress. No society can afford to stress one at the expense of the other.

In our country the system has the responsibility of keeping a maximum flexibility in order to provide the individual with the greatest scope possible for his development and maximum productivity. The new Foreign Service is designed and administered, we hope, to provide that flex-

ibility. It can achieve the union between order and progress only if its officers, during the formative years they have spent in their institutions of learning, achieve within themselves a happy balance between individual drive and organizational discipline. In the molding of character and personality, the development of a fine perception which can avoid a destructive individualism as well as an uninspired and routine conformity, the colleges and universities, just as this great university of Georgetown, can make their greatest contribution to the new career Foreign Service.

## **47th Anniversary of Founding of Republic of China**

*Following is an exchange of messages between President Eisenhower and Chiang Kai-shek, President of the Republic of China.*

### **Message From President Eisenhower**

White House press release dated October 10

OCTOBER 10, 1958

The people of the United States join me in sending Your Excellency and the people of China their sincerest felicitations on the forty-seventh anniversary of the founding of the Republic of China.

We gladly recall on this occasion the Treaty of Mutual Defense between the Republic of China and the United States. We pay tribute to the indomitable spirit of Free China which, tested so often in recent years by invasion and war, has once again been demonstrated in the face of Communist attack. We recognize that the sacrifices of Free China contribute to the survival of freedom everywhere. We extend our sympathy and friendship to all the Chinese people, being deeply conscious of the hardships and denials of freedom that so many of them are enduring.

DWIGHT D. EISENHOWER

### **Message From President Chiang Kai-shek**

White House press release dated October 14

OCTOBER 12, 1958

On behalf of the Chinese Government and people I thank Your Excellency sincerely for the cordial greetings and good wishes contained in



your kind message on our National Day. In commemorating this occasion amidst unprovoked Communist attacks, we are also mindful of the community of interests and unity of purpose between our two countries as symbolized by the Mutual Defence Treaty. This solemn instrument binds us more closely together in our common effort to safeguard peace and security in this part of the world.

I wish to express to Your Excellency the deep appreciation of my Government and people for the support rendered us by the United States Government to meet Communist aggression. I must pay special tribute to the gallant officers and men of United States Armed Forces who have been sharing hardships with us and making invaluable contributions to us, particularly in helping solve problems of resupply to Kinmen Garrison and civilian populace. The zest and courage they have displayed in their endeavours deserve our high admiration and commendation.

I feel sure that all Chinese people, including those on the Mainland now under the yoke of Communist tyranny, are encouraged by the determined effort our two countries are making for the cause of freedom and democracy. I am confident that our continuing solidarity and exertions will bring about the ultimate attainment of our common goal.

Accept, Mr. President, my best wishes for your good health and prosperity of your country.

CHIANG KAI-SHEK

### **Korean Minister of Reconstruction Visits United States**

The Department of State announced on October 17 (press release 626) that the Minister of Reconstruction and Economic Coordinator of the Republic of Korea, Song In-sang, would arrive at Washington on October 18 for a 2-week visit. He is accompanied by the Economic Coordinator of the United Nations Command, William E. Warne; by Kim Tai-dong, Chief of the Requirements and Coordination Bureau of the Ministry of Reconstruction; and by Lee Han-bin, Chief of the Bureau of the Budget of the Ministry of Finance of the Republic of Korea.

During his visit to Washington Minister Song will confer with officials of the Department of

State, the Department of Defense, and the International Cooperation Administration concerning the execution of the mutual security program in Korea.

Minister Song will call on the Acting Secretary of State and the Director of the International Cooperation Administration. He will also call on Assistant Secretary of State for Economic Affairs Thomas C. Mann and on Deputy Assistant Secretary of State for Far Eastern Affairs J. Graham Parsons. Other meetings will be scheduled as the program of Minister Song's visit develops. He is expected to go to New York about November 1 for several days and then return to Washington for another week before his departure for Korea.

### **Thai National Assemblymen Visit United States**

Press release 618 dated October 15

Secretary Dulles on October 15 welcomed 12 members of the National Assembly of Thailand who are visiting the United States under the Department's leader exchange program.

The 3-day Washington visit of the Assemblymen included a meeting with President Eisenhower at the White House, conferences with Assistant Secretary of State for Far Eastern Affairs Walter S. Robertson and Deputy Director of the International Cooperation Administration D. A. Fitzgerald, luncheon with representatives of the Senate Committee on Foreign Relations, and a visit to the Capitol, a reception given by Mr. Robertson at the President's Guest House, and a dinner given by Thanat Khoman, Ambassador from Thailand.

On October 16 the Assemblymen leave for New York City, where they will be honored at a luncheon given by Columbia University and another on October 17 given by Prince Wan Waithayakon, Foreign Minister of Thailand and head of Thailand's delegation at the United Nations.

Secretary Dulles, in outlining for the visitors his views on the world situation, emphasized the necessity for all free nations to cooperate in maintaining their freedom in the face of the Communist threat. The goal of communism is not to further the welfare of peoples but to exploit them for the purpose of extending its sway throughout the world, he stated. To combat this force the

free nations must have a resolute faith in freedom and a belief in the rights of individuals and be willing to accept risks if necessary to withhold the advance of communism. The Secretary told

the group of legislators that the United States considers Thailand a nation deeply dedicated to freedom and rejoices in the friendship and alliance of the two countries.

## Reflections on U.S.-Canadian Relations

*by C. Burke Elbrick*

*Assistant Secretary for European Affairs*<sup>1</sup>

I would like to convey to this distinguished audience the regrets of the Secretary of State that he is unable to be here in person this evening. On his behalf, however, I want to express the pleasure felt by the United States Government at the opening of Canada House. It is an honor for me to participate in the dedication of this magnificent monument to Canadian-American relations. The institutions and business concerns housed here will, in their own way, be carrying on international relations of considerable importance and, as such, will be partners in the happy chore of furthering United States-Canadian relations. The Department of State wishes you many years of fruitful and profitable tenancy.

A great deal has been said and written about the unique relationship existing between Canada and the United States. Some of these things, in fact, have been said so often that they have become somewhat trite. At the same time, we should remember that many statements become trite simply by the process of being true. The relationship between Canada and the United States is indeed unique, not only in our own era but in the entire history of mankind. What other two nations have ever maintained between themselves so large a volume of trade in peaceful goods? What other two nations have lived together in peace for more than a hundred years while sharing a 3,000-mile border unguarded by armed forces? What other two nations have experienced so striking a parallel in their historical, political, economic, and cultural development?

The extraordinary relationship between Canada and the United States is not always understood in other parts of the world and is sometimes confusing even to a part of our own populations. In our early history, of course, many Americans were anxious to force Canada into a union with the United States, perhaps on the theory that we would be doing Canada a big favor. But this illusory ambition is now deeply buried in the ashes of time. I am confident the Canadians have long since forgiven us for trying to impose American citizenship upon them, and I am even more confident that the people of the United States would like to forget the whole matter. I might mention, in this connection, that those Americans who proudly boast that our country has never lost a war would do well to remember that our invasion of Canada in 1813 was not exactly a howling success.

### Canada, a Major World Power

Another widely prevalent misconception about the nature of Canadian-American ties is the tendency to interpret this relationship as one between a "big power" and a "small power." This notion has always seemed a bit odd to me. By almost every meaningful standard of international relations, Canada stands as a major world power. It ranks third in area among the nations of the world. It also ranks third in agricultural production and more than 10 years ago reached third position in its volume of international trade. It has enormous physical resources and technical skills. It is one of the principal contributors to economic and technological development in other parts of the world. It has a well-deserved repu-

<sup>1</sup>Remarks made at the inaugural ceremonies for Canada House at New York, N.Y., on Sept. 30.

tation for military prowess. Even the cynical Joseph Stalin, who rated a nation's importance solely in terms of the number of divisions it had at its disposal, could hardly sneeze at the fact that Canada mobilized more than 600,000 men during the Second World War.

Actually, it is obvious that Canada ranks as a truly great power by every known test except the test of population. I feel sure that the Canadian people are quite capable of dealing with this problem without any advice or assistance from the outside.

When a professional diplomat such as myself considers the relationship between the United States and Canada, he inevitably must exercise a certain humility. He knows that this relationship has not been primarily a product of diplomacy at the governmental level. Rather, it is history's most outstanding example of successful people-to-people diplomacy. It is based upon a community of real interests—upon ties of blood and intermarriage, upon trade and investment, upon the joint development of resources, upon the sharing of literature and communications, upon similar cultural roots, and upon a common adherence to the ideals of freedom and human dignity. What our two countries have in common is something which no professional diplomat, however good, could have created and which no professional diplomat, however maladroit, could ever destroy.

#### **Close Working Relationships**

Before I go any further, however, let me say that I do not want to *overdo* this humility theme. Actually, the intricate relationships between our two countries manage to keep the professional diplomats in both Governments fairly busy. At least this is true in my own Government. Our ties with Canada regularly give rise to a large volume of important and difficult problems. Some of these problems involve complex questions of commerce and investment, and others arise from the highly coordinated defensive arrangements developed and maintained between the two Governments. Still others are connected with the prominent roles which both our Governments play in global political and economic affairs.

In dealing with this host of problems our two Governments maintain a remarkably close and active day-to-day working relationship. We

have learned to work together at subordinate levels of our respective ministries and agencies in the same spirit that our Chiefs of State visit with each other to confer on national policies and our Cabinets meet in joint discussion of trade and economic affairs.

It would be foolish to pretend that this process of working together involves an identity of viewpoint. There are inevitable differences and disagreements between independent governments. Moreover, familiarity and proximity, in themselves, often breed irritations. Some of these irritations arise paradoxically enough in the field of commercial relations, where we enjoy unusual advantages as each other's principal trading partners. Another source of irritation is the vast exchange of information and opinion over our newsstands and networks. Sometimes, in fact, Canadians are probably irritated by the impression that their American neighbors are taking them for granted.

As far as the great mass of Americans are concerned, nothing could be further from the truth. Far from taking Canadians for granted, we have come to think of them as our best friends and severest critics. In a world in which there is little room left for national privacy, we Americans can be sure that we hold no secrets or mysteries for Canadians. They probably know exactly what we paid for Manhattan Island and rightly conclude that we are making a tidy profit in selling them a small corner of Fifth Avenue!

I am sure we all realize that the differences and irritations I have mentioned are little more than ripples in the vast ocean of common interests which bind our two peoples. While Americans and Canadians are naturally concerned about our disagreements, we should remember that there are others in the world who seem very unhappy because we do not manage to disagree often enough. In recent months, for example, the Soviet Union has been putting out quite a barrage of propaganda designed to insinuate that those governments which cooperate closely with the United States are really nothing more than American satellites. The Soviet emphasis upon this propaganda theme is a rather interesting development. Its main purpose, of course, is fairly obvious. Having failed to disrupt the basic unity of the free world either by impassioned argument or by threats of military force, the Soviet rulers are now

attempting to embarrass free governments by casting aspersions upon their sovereignty.

Even though we appropriately discount this tactic of "diplomacy by insult," we must also be aware of the possibility that the Soviet rulers may have deluded themselves by their own propaganda. Because of their own experience, they may indeed be incapable of conceiving of any relationship among nations other than a master-slave relationship. They may actually be puzzled by the fact that a large number of free nations with similar interests and common ideals very frequently reach identical conclusions about the great political and moral issues confronting the world.

In any event, the Canadian and American peoples have no reason to apologize to anyone for our community of interests and similarity of attitudes. On the contrary, we can say without boastfulness that we have given the world an example of constructive cooperation which many other nations would do well to emulate. We have reason to be proud of our special relationship and to bend our future efforts toward making this relationship more intimate and more rewarding.

This, of course, is one of the purposes of the establishment we are dedicating today. I feel the decision of our Canadian neighbors to erect a handsome and permanent structure here is perhaps the finest compliment they could pay to the United States and the city of New York. We welcome to Fifth Avenue this symbol of Canadian participation in American commercial life and in the commerce of the world at large. We are proud to have Canada House on United States soil.

### **Mr. McClellan To Manage U. S. Exhibit at Moscow**

The White House announced on October 17 that, with the approval of the President, Harold Chadick McClellan, president of the Old Colony Paint and Chemical Co., Los Angeles, Calif., and former Assistant Secretary of Commerce for International Affairs, will serve as general manager of the U.S. Government exhibition to be held at Gorki Park, Moscow, next summer.

The exhibition will be held in accordance with an agreement, signed on September 10 between

the United States and the Soviet Union,<sup>1</sup> which provides, reciprocally, for exhibits to be held at Moscow and New York during the summer of 1959 "devoted to the demonstration of the development of science, technology, and culture."

### **United States and U.S.S.R. Agree on Films To Be Exchanged**

Press release 599 dated October 9

#### **DEPARTMENT ANNOUNCEMENT**

In accordance with an agreement between the United States of America and the U.S.S.R. in cultural, technical, and educational fields, which was signed at Washington on January 27, 1958,<sup>2</sup> meetings of representatives of the United States of America and the U.S.S.R. for the implementation of contacts in the field of the cinema for 1958-59 provided for in section VII of the Washington agreement, were held at Moscow in September-October 1958.

Participants in the negotiations from the Soviet side were: V. Surin, Vice Minister of Culture, U.S.S.R., A. Davydov, director of Sovexportfilm, A. Slavnov, head of the Foreign Relations Department of the Ministry of Culture; and E. Kachugin, assistant director of Sovexportfilm.

Participants from the American side were: Eric Johnston, president, Motion Picture Export Association of America, Turner B. Shelton, director, Motion Picture Service, United States Information Agency; Ken Clark, vice president, Motion Picture Export Association of America; and Hans Tuch, attaché, American Embassy, Moscow.

The negotiators have considered the questions of the sale and purchase of feature films, the exchange of documentary films, the holding of film weeks and film premieres in the United States of America and the U.S.S.R., the exchange of film delegations, and the joint production of feature, popular science, and documentary films.

In the course of the negotiations the American and Soviet sides have reached an agreement on all the above questions.

<sup>1</sup> For text of agreement, see BULLETIN of Oct. 13, 1958, p. 577.

<sup>2</sup> For text, see BULLETIN of Feb. 17, 1958, p. 243.



In accordance with item 8, section VII, of the Washington agreement both sides have extended until January 27, 1960, the powers of the standing committee designated in the agreement and have agreed that the committee's next meeting will be held at Washington during the first quarter of 1959.

A memorandum has been drawn up by both sides on the results of the negotiations and signed in behalf of the American side by Messrs. Johnston and Shelton, and in behalf of the Soviet side by Messrs. Surin and Davydov.

## MEMORANDUM OF AGREEMENT

MEMORANDUM ON SOVIET-AMERICAN NEGOTIATIONS ON MOTION PICTURES HELD IN MOSCOW DURING SEPTEMBER-OCTOBER 1958, UNDER THE CULTURAL, TECHNICAL AND EDUCATIONAL EXCHANGE AGREEMENT BETWEEN THE U.S.S.R. AND THE UNITED STATES OF AMERICA, SIGNED ON JANUARY 27, 1958

In the course of the negotiations consideration has been given to the questions of the sale and purchase of feature films, the exchange of documentary films, the holding of a film week, in the Soviet Union and in the United States, the premiere of the first film shown in each country under this Agreement, the exchange of delegations of leading motion picture personalities, and the joint production of feature, popular science and documentary films during 1958 and 1959. The results of these considerations are as follows:

### Purchase of Feature Films

As the first step in this field agreement has been reached whereby motion picture companies of the United States will purchase 7 Soviet feature films, and Sovexportfilm will purchase 10 U.S. feature films. The following 4 Soviet films have been selected: "The Cranes Are Flying", "The Idiot", "The Captain's Daughter", and "Swan Lake". The other 3 will be selected by U.S. companies within thirty days from the date of the signing of this Memorandum. The following 6 U.S. films have been selected: "The Great Caruso", "Lili", "Roman Holiday", "Marty", "The Old Man and the Sea", "Oklahoma". The other four will be selected by Sovexportfilm within thirty days from the signing of this Memorandum.

The prices for each Soviet or American film shall be \$60,000 for each standard size film and \$67,000 for each widescreen film, including the cost of preprint material. The payments shall be made in dollars.

It has been agreed that each side would release all films of the other side in dubbed or subtitled versions. The contents of the films must be preserved and any changes must be agreed upon by the other side. The release version must be agreed upon prior to its distribution by a representative designated by the other side.

The American companies and Sovexportfilm will use their best efforts to assure maximum commercial distribution of the films purchased and to arrange for wide publicity for these films. The films are for theatrical showing only.

Sovexportfilm and American companies have the right in the future to carry on negotiations for the purchase and sale of films and to conclude agreements under the provisions set forth in the Cultural, Technical and Educational Exchange Agreement between the U.S.S.R. and the United States of America.

Any problem arising in connection with this provision shall be referred to the Standing Committee.

### Exchange of Documentary Films

Consideration has been given regarding the selection of documentary films and it has been agreed that the fifteen documentary films tentatively selected by the Soviet Embassy in the United States would be sent to Moscow for final approval by the Ministry of Culture, while the fifteen Soviet documentary films tentatively selected by the American Embassy in Moscow would be sent to the United States for final approval by the United States Information Agency.

The selection of films will be completed in an expeditious manner in order that the broad distribution of documentary films would begin no later than January 31, 1959 in accordance with the provisions of Item 3 of Section VII of the Cultural, Technical and Educational Exchange Agreement between the U.S.S.R. and the U.S.A., and depending on the distribution situation in each country.

### Film Weeks

Both sides have recognized the desirability of holding on a mutual basis an American film week in the U.S.S.R. and a Soviet film week in the U.S.A. To implement this item in the Cultural Agreement and in order to bring about the making of firm arrangements for such film weeks, it has been agreed that an officer of the Soviet Embassy in Washington would be designated to deal with an official of the Government of the United States, and an officer of the American Embassy in Moscow would be designated to deal with an official of the Soviet Union to take proper steps to establish the necessary procedures. The names of the officials to be designated under this Item shall be exchanged no later than January 1, 1959.

The Standing Committee will act on concrete recommendations, including dates for the holding of film weeks, within the framework of the Cultural, Technical and Educational Exchange Agreement between the U.S.S.R. and the U.S.A., made to it by these representatives at its next meeting to be held in Washington.

### Film Premieres

It has been agreed that a premiere would be held in Moscow of the first American film shown in the Soviet Union under this Agreement, and that a premiere would be held in Washington of the first Soviet film shown in the United States under this Agreement and that two or three lead-



ing motion picture personalities, preferably from the film being shown, would be invited to attend the respective premieres. Film organizations of each side shall pay the travel expenses of its motion pictures personalities, and the motion picture interests of each country shall pay the expenses of film personalities during their attendance at the respective premieres.

It has been agreed that film organizations of each side would assume all the expenses connected with the preparation and holding of each premiere.

Practical problems such as the date, the composition of delegations to the premieres, etc., shall be resolved directly between Sovexportfilm and the American company concerned with the premiere. The Standing Committee will consider the question of the holding of subsequent premieres at its next meeting to be held in Washington.

### **Exchange of Film Delegations**

It has been agreed that delegations of up to ten leading motion picture personalities, to be approved by both sides, would be exchanged for the purpose of becoming acquainted with experiences in the production of motion pictures. These delegations will include scenario writers and technical personnel. Their stay shall be for a period of up to one month.

Appropriate organizations on each side shall pay the travel expenses of its delegation and shall assume expenses connected with the stay of the visiting delegation. It was decided to schedule the visits during May-June 1959 and each side agreed to inform the other of the composition of its delegation before April 1, 1959.

### **Joint Production**

The matter of the joint production of feature, popular science and documentary films was referred to the Standing Committee.

The Standing Committee decided that Soviet studios and American motion picture producing organizations may carry on negotiations and conclude agreements for joint production of films in accordance with the provisions of Section VII of the Cultural, Technical and Educational Exchange Agreement between the U.S.S.R. and the United States of America.

### **The Standing Committee**

It has been agreed to extend until January 27, 1960 the powers of the Standing Committee appointed under Item 8, Section VII, of the Cultural, Technical and Educational Exchange Agreement between the U.S.S.R. and the United States of America. The Standing Committee will meet next in Washington during the first quarter of 1959.

Signed in Moscow on the ninth day of October, 1958.  
Representatives of the United States of America.

ERIC JOHNSTON  
TURNER B. SHELTON

Representatives of the U.S.S.R.

V. SURIN  
A. DAVYDOV

## **Soviet Union Rejects Arbitration of Navy Neptune Case by ICJ**

Press release 610 dated October 13

It will be recalled that on August 22 the Legal Adviser of the State Department filed an application in the International Court of Justice as agent for the United States<sup>1</sup> instituting proceedings against the Union of Soviet Socialist Republics on account of the destruction on September 4, 1954, of a Navy Neptune plane in the international airspace over the Sea of Japan in the area of Vladivostok. This was done because the United States had exhausted all other diplomatic remedies to obtain compensation from the Soviet Government. In the incident an aircraft was destroyed, one crew member was killed, and other crew members injured.

The application appended copies of the diplomatic correspondence. These showed that there existed between the United States and the Soviet Union disputes of fact and of law with respect to the case and emphasized that the Soviet Government, although qualified to do so, had not submitted to the Court's jurisdiction. Among the questions of fact were the circumstances under which the shooting took place and whether the shooting took place over the high seas. Among the questions of law were the validity of the Soviet Government's claim that it may, under international law, unilaterally extend its territorial limits in the international airspace in excess of 3 nautical miles; the application of international obligations relating to the flight of military aircraft claimed to be intruding and the interception and attack of such aircraft; the nature of the rights of the United States to conduct flights of military aircraft in the international airspace over the Sea of Japan; together with other issues of law and fact which, if resolved in favor of the United States, would prove breaches of international obligation by the Soviet Government; and the nature and extent of reparations to be made by the Soviet Government for all these breaches.

Now the U.S. Government has been informed by the International Court of Justice that on September 26, 1958, the Soviet Chargé d'Affaires in The Hague sent a letter stating that "there are

<sup>1</sup> BULLETIN of Sept. 15, 1958, p. 420.

no questions which are of need to be considered by the International Court."

Thus again the Soviet Government, while claiming international legal justification for its wrongful conduct, has refused to permit the one tribunal set up by the nations of the world as the "principal judicial organ of the United Nations" to adjudicate both disputes of fact and disputes of law between governments to obtain jurisdiction over the parties to such a case.

The U.S. Government will continue to attempt to exhaust the institutions of law and order to settle disputes of fact and of law. It regrets that thus far the record of the Soviet Union in this regard has been negative.

## **U.S. Sends Salk Vaccine to San Marino**

Press release 607 dated October 13

The U.S. Government has sent a shipment of 2,600 cc. of Salk vaccine to the Republic of San Marino. The tiny republic, faced with an increase in polio cases in the area and a treasury left empty by the previous Communist-controlled government, appealed to the Department of State for assistance so that all children up through 6 years of age could be inoculated. The problem was called to the attention of Eli Lilly & Co. by the Department of State and the International Cooperation Administration. The Lilly Company generously responded with an offer to donate the vaccine and immediately delivered the required amount to ICA in Washington.

The U.S. Air Force and Army assumed the responsibility of speeding the donation to San Marino. The Tactical Air Command placed the shipment aboard one of its F-100S super sabrejet aircraft making a normal high-flight mission. The aircraft, piloted by Capt. W. A. Merrill, departed Langley Field, was refueled in the air 500 miles east of Bermuda, and proceeded to Aviano Air Base, Italy, via U.S. air bases in the Azores, Morocco, and France. Weather permitting, a U.S. Army helicopter from Southern European Task Force Headquarters in Verona will fly the vaccine from Aviano to San Marino. At San Marino it will be received by U.S. consular officials who will deliver it to San Marino public-health authorities.

**November 3, 1958**

## **General War Sequel Law of German Federal Republic**

Press release 584 dated October 6

The Finance Ministry of the Federal Republic of Germany made an announcement on October 6 concerning the General War Sequel Law, which was enacted on November 5, 1957, and came into force on January 1, 1958. Claims under this law must be filed before January 1, 1959, except that the law provides for later dates for certain categories of cases.

The General War Sequel Law deals with claims of foreign creditors against the former German Reich (including the Reichsbahn, the Reichspost, the Reichsautobahnen, and the former State of Prussia) arising from capital investments expressed in reichsmarks and certain other reichsmark claims against these debtors. The law does not deal with claims arising from racial, religious, or political persecution or with claims arising out of World War II.

Detailed information concerning this law and concerning the filing of claims under it will be found in an information sheet which is available at the Securities Settlement Advisory Agency of the Federal Republic of Germany, 30 Broad St., Suite 3601, New York 4, N. Y., or at the German Embassy in Washington, D.C., and at all German consulates general and consulates in the United States.

## **Congressional Documents Relating to Foreign Policy**

### **85th Congress, 2d Session**

International Cooperation Administration Replies to Criticisms of the Foreign Aid Program. March 14, 1958. 88 pp. [Committee Print.]

Export Program for Dairy Products. Hearing before a subcommittee of the Senate Committee on Agriculture and Forestry on S. 4013, a bill to provide an export program for dairy products. July 14, 1958. 81 pp.

Passport Legislation. Hearings before the Senate Committee on Foreign Relations on S. 2770, S. 3998, S. 4110, and S. 4137, bills relating to the issuance of passports. July 16-28, 1958. 225 pp.

Diversion of Water From Lake Michigan. Hearings before a subcommittee of the Senate Committee on Public Works on H. R. 2 and S. 1123, bills to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois waterway. July 28-August 7, 1958. 407 pp.

## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of International Conferences and Meetings <sup>1</sup>

#### Adjourned During October 1958

15th Pan American Sanitary Conference and 10th Meeting of the Regional Committee of WHO for the Americas.	San Juan . . . . .	Sept. 21-Oct. 6
International Atomic Energy Agency: 2d General Conference . . . . .	Vienna . . . . .	Sept. 22-Oct. 4
U. N. Sugar Conference . . . . .	Geneva . . . . .	Sept. 22-Oct. 25
GATT Intersessional Committee . . . . .	Geneva . . . . .	Sept. 24-Oct. 1
UNESCO Promotion of Peaceful Cooperation and International Understanding Among Nations: 1st Meeting.	Prague . . . . .	Sept. 24-Oct. 1
WHO Regional Committee for the Western Pacific: 9th Session	Manila . . . . .	Sept. 26-Oct. 2
South Pacific Commission: 18th Session . . . . .	Nouméa, New Caledonia . . . . .	Sept. 26-Oct. 13
UNESCO Executive Board: 51st Session . . . . .	Brussels . . . . .	Sept. 29-Oct. 2
FAO/UNICEF Joint Policy Committee . . . . .	Rome . . . . .	Sept. 29-Oct. 2
U.N. ECE Inland Transport Committee: Working Party on Construction of Road Vehicles.	Geneva . . . . .	Sept. 29-Oct. 3
International Council for the Exploration of the Sea: 46th Annual Meeting.	Copenhagen . . . . .	Sept. 29-Oct. 4
Commonwealth Specialist Subcommittee of Service Psychologists.	Melbourne . . . . .	Sept. 29-Oct. 8
WMO Commission on Agricultural Meteorology: 2d Session . . . . .	Warsaw . . . . .	Sept. 29-Oct. 17
ICAO Panel of Teletypewriter Specialists: 3d Meeting . . . . .	Montreal . . . . .	Sept. 29-Oct. 27
ANZUS Council: 6th Meeting . . . . .	Washington . . . . .	Oct. 1 (1 day)
International Symposium on U. S. Domestic Short Distance Navigation System (VORTAC) and Its Relationship to the Air Navigation System.	Washington . . . . .	Oct. 1-2
International Council of Scientific Unions: 8th General Assembly.	and Indianapolis . . . . .	Oct. 2-4
PASO Executive Committee: 36th Meeting . . . . .	Washington . . . . .	Oct. 2-6
FAO International Rice Commission: 6th Session . . . . .	San Juan . . . . .	Oct. 3 (1 day)
International Union of Official Travel Organizations: 13th General Assembly.	Tokyo . . . . .	Oct. 3-4
IAEA Board of Governors: 9th Session . . . . .	Brussels . . . . .	Oct. 3-11
U. N. ECE Working Party on Electric Power Statistics . . . . .	Vienna . . . . .	Oct. 6-7
U. N. ECE Working Party on Rural Electrification . . . . .	Geneva . . . . .	Oct. 6-8
International Monetary Fund, International Bank for Reconstruction and Development, International Finance Corporation: Annual Meetings of Boards of Governors.	Geneva . . . . .	Oct. 6-9
4th FAO Regional Conference for Asia and the Far East . . . . .	New Delhi . . . . .	Oct. 6-10
Diplomatic Conference for Revision of the Convention for the Protection of Industrial Property.	Tokyo . . . . .	Oct. 6-16
Commonwealth Advisory Committee on Defense Sciences . . . . .	Lisbon . . . . .	Oct. 6-31
Caribbean Commission: Special Meeting . . . . .	Canberra . . . . .	Oct. 7-28
Special Five-Power Meeting on North Atlantic Cable System . . . . .	Washington . . . . .	Oct. 8-9
U. N. ECOSOC/ILO Consultation . . . . .	London . . . . .	Oct. 9-16
U. N. ECE Timber Committee: 16th Session . . . . .	New York . . . . .	Oct. 13-15
Structural Division of American Society of Civil Engineers and International Association for Bridge and Structural Engineering: Joint Meeting.	Geneva . . . . .	Oct. 13-17
FAO General Fisheries Council of the Mediterranean: 5th Meeting.	New York . . . . .	Oct. 13-17
GATT Intersessional Committee . . . . .	Rome . . . . .	Oct. 13-18
9th U. N. ECOSOC Technical Assistance Conference . . . . .	Geneva . . . . .	Oct. 15 (1 day)
U. N. ECE Committee on Development of Trade and East-West Trade Consultations: Working Party on Arbitration.	New York . . . . .	Oct. 16 (1 day)
	Geneva . . . . .	Oct. 16-24

<sup>1</sup> Prepared in the Office of International Conferences, Oct. 15, 1958. Asterisks indicate tentative dates and places. Following is a list of abbreviations: ANZUS, Australia, New Zealand, United States Treaty; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; ECLA, Economic Commission for Latin America; ECOSOC, Economic and Social Council; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; ICAO, International Civil Aviation Organization; ICEM, Intergovernmental Committee for European Migration; ILO, International Labor Organization; IMCO, Intergovernmental Maritime Consultative Organization; ITU, International Telecommunication Union; NATO, North Atlantic Treaty Organization; PASO, Pan American Sanitary Organization; U.N., United Nations; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNICEF, United Nations Children's Fund; WHO, World Health Organization; WMO, World Meteorological Organization.

FAO Group on Coconut and Coconut Products: 2d Session . . .	Manila . . . . .	Oct. 20-29
U. N. ECAFE Industry and Natural Resources Committee: 8th Session of Subcommittee on Iron and Steel.	Bangkok . . . . .	Oct. 21-28
FAO Cocoa Study Group: 3d Meeting of Committee on Statistics .	Rome . . . . .	Oct. 23-24
UNESCO Directors of National Cultural Relations: 2d Meeting .	Paris . . . . .	Oct. 28-31

# **In Session as of October 31, 1958**

U. N. General Assembly: 13th Session . . . . .	New York . . . . .	Sept. 16-
ITU International Administrative Telephone and Telegraph Conference.	Geneva . . . . .	Sept. 29-
GATT Contracting Parties: 13th Session . . . . .	Geneva . . . . .	Oct. 16-
Consultative Committee for Cooperative Economic Development in South and Southeast Asia ("Colombo Plan"): 10th Meeting.		
Preliminary Working Group . . . . .	Seattle . . . . .	Oct. 20-
Officials' Meeting . . . . .	Seattle . . . . .	Oct. 27-
Ministerial Meeting . . . . .	Seattle . . . . .	Nov. 10-
International North Pacific Fisheries Commission: 6th Meeting .	Tokyo . . . . .	Oct. 20-
ILO Experts on Teachers' Problems . . . . .	Geneva . . . . .	Oct. 20-
U. N. ECAFE Regional Cartographic Conference for Asia and the Far East.	Tokyo . . . . .	Oct. 20-
ICAO Rules of the Air and Air Traffic Control/Search and Rescue Divisional Meeting.	Montreal . . . . .	Oct. 21-
FAO Council: 29th Session . . . . .	Rome . . . . .	Oct. 27-
FAO Near East Forestry Commission: 2d Session . . . . .	Cairo . . . . .	Oct. 27-
ILO Experts on the International Classification of Radiographs of Pneumoconioses.	Geneva . . . . .	Oct. 27-
UNESCO Executive Board: 52d Session . . . . .	Paris . . . . .	Oct. 27-
U. N. ECE Committee on Development of Trade and East-West Trade Consultations.	Geneva . . . . .	Oct. 27-
U. N. Wheat Conference: Preliminary Meeting . . . . .	Geneva . . . . .	Oct. 28-
South Pacific Commission: Special Conference on Tuberculosis .	Pago Pago, American Samoa .	Oct. 31-
Negotiations on Political Aspects of Suspension of Nuclear Tests .	Geneva . . . . .	Oct. 31-

# **Scheduled November 1, 1958, Through January 31, 1959**

6th Inter-American Congress of Radiology . . . . .	Lima . . . . .	Nov. 2-
ILO Governing Body and Committees: 140th Session . . . . .	Geneva . . . . .	Nov. 3-
FAO Latin American Forestry Commission: 6th Session . . . . .	Antigua . . . . .	Nov. 4-
ICEM Executive Committee: 11th Session . . . . .	Geneva . . . . .	Nov. 4-
U. N. ECAFE Inland Transport Committee: 4th Session of High- way Subcommittee.	Bangkok . . . . .	Nov. 4-
UNESCO General Conference: 10th Session . . . . .	Paris . . . . .	Nov. 4-
U. N. ECE Housing Committee: 17th Session and Working Parties.	Geneva . . . . .	Nov. 6-
2d Inter-American Technical Meeting on Housing and Planning .	Lima . . . . .	Nov. 10*
Technical Discussions on Prevention of Surprise Attack . . . .	Geneva . . . . .	Nov. 10-
U. N. Wheat Conference: Preparatory Committee . . . . .	London . . . . .	Nov. 10-
ICEM Council: 9th Session . . . . .	Geneva . . . . .	Nov. 12-
7th International Congress of Leprology . . . . .	Tokyo . . . . .	Nov. 12-
U. N. Advisory Committee on Peaceful Uses of Atomic Energy .	New York . . . . .	Nov. 12-
U. N. ECAFE Committee on Trade: Working Party on Customs Administration.	Bangkok . . . . .	Nov. 12-
FAO Latin American Regional Conference . . . . .	San José, Costa Rica . . . .	Nov. 17-
ICAO Statistics Division: 3d Session . . . . .	Montreal . . . . .	Nov. 18-
FAO/WHO Regional Nutrition Meeting (Near East) . . . . .	Cairo . . . . .	Nov. 18-
International Child Welfare Study Conference . . . . .	Tokyo . . . . .	Nov. 23-
Conference on Revision of Agreement for Establishment of the Caribbean Commission.	Trinidad . . . . .	Nov. 24-
Customs Cooperation Council: 13th Session . . . . .	Brussels . . . . .	Nov. 24-
U. N. ECE Committee on Agricultural Problems: 10th Session .	Geneva . . . . .	Nov. 24-
U. N. ECAFE Working Party of Railway Mechanical Engineers .	undetermined . . . . .	Nov. 24-
International Fisheries Convention 1946, Permanent Commis- sion: 7th Meeting.	Dublin . . . . .	Nov. 25-
U. N. ECAFE Working Party on Coordination of Transport . .	Bangkok . . . . .	Nov. 25-
ICAO Special North Atlantic Fixed Services: 2d Meeting . . .	Paris . . . . .	November
U. N. ECOSOC Technical Assistance Committee . . . . .	New York . . . . .	November
International North Pacific Fisheries Commission: Committee on Biology and Research.	Tokyo . . . . .	November
FAO/WHO Technical Meeting on Food Additives . . . . .	Rome . . . . .	Dec. 1-
ICAO Map Panel: 2d Meeting . . . . .	Montreal . . . . .	Dec. 1-
U. N. ECAFE Committee on Industry and Natural Resources: Symposium on Petroleum Development.	New Delhi . . . . .	Dec. 3-
FAO Indo-Pacific Fisheries Council: 8th Meeting . . . . .	Colombo . . . . .	Dec. 6-
U. N. ECAFE Conference of Asian Statisticians: 2d Session .	Bangkok . . . . .	Dec. 8-
North Pacific Fur Seal Commission: 2d Meeting . . . . .	Washington . . . . .	Dec. 8-



**Calendar of International Conferences and Meetings—Continued**  
**Scheduled November 1, 1958, Through January 31, 1959—Continued**

ILO Technical Tripartite Committee on Timber Industry . . . . .	Geneva . . . . .	Dec. 8-
U. N. ECE Steel Committee and Working Parties . . . . .	Geneva . . . . .	Dec. 8-
7th Inter-American Travel Congress . . . . .	Montevideo . . . . .	Dec. 9-
FAO Regional Conference for Near East . . . . .	Damascus* . . . . .	Dec. 10-
Caribbean Commission: 27th Meeting . . . . .	Cayenne . . . . .	Dec. 15*
U. N. ECE Coal Trade Subcommittee (and related meetings) . . . . .	Geneva . . . . .	Dec. 15-
U. N. ECE Inland Transport Committee: 18th Session . . . . .	Geneva . . . . .	Dec. 15-
NATO Council: Ministerial Session . . . . .	Paris . . . . .	Dec. 16-
U. N. Economic Commission for Africa: 1st Session . . . . .	Addis Ababa . . . . .	Dec. 29-
Inter-American Child Institute: Directing Council . . . . .	Montevideo . . . . .	December*
U.N. ECOSOC: 26th Session (resumed) . . . . .	New York . . . . .	December
UNESCO Executive Board: 53d Session . . . . .	Paris . . . . .	December
U.N. ECAFE Committee on Trade: Intraregional Trade Pro- motion Talks . . . . .	Bangkok . . . . .	Jan. 5-
ICAO Southeast Asia-Limited Middle East Regional Air Naviga- tion Meeting . . . . .	Rome . . . . .	Jan. 6-
IMCO Assembly: 1st Session . . . . .	London . . . . .	Jan. 6-
IMCO Council: 1st Session . . . . .	London . . . . .	Jan. 6-
5th Pan American Consultation on Geography . . . . .	Quito . . . . .	Jan. 7-
ICAO Meeting of Panel on Vertical Separation of Aircraft . . . . .	Montreal . . . . .	Jan. 12*
4th Pan American Consultation on History . . . . .	Cuenca, Ecuador . . . . .	Jan. 19-
Inter-American Council of Jurists: 4th Meeting . . . . .	Santiago . . . . .	Jan. 19-
WHO Standing Committee on Administration and Finance . . . . .	Geneva . . . . .	Jan. 20-
U.N. Wheat Conference: Negotiating Conference . . . . .	New York or Rome . . . . .	Jan. 26*
WHO Executive Board: 23d Session . . . . .	Geneva . . . . .	January
U.N. ECLA Committee on Trade . . . . .	Mexico, D.F. . . . .	January

## United Nations Establishes Special Fund

*Following is a series of statements on the establishment of the Special Fund made in the 13th session of the U.N. General Assembly by Senator Mike Mansfield and Christopher H. Phillips, U.S. representatives, together with the text of the resolution adopted in plenary session on October 14.*

### STATEMENT BY SENATOR MANSFIELD, SEPTEMBER 30<sup>1</sup>

It was my privilege to represent the United States in the Second Committee of the Sixth General Assembly. At that time a new experiment in international cooperation—the United Nations Expanded Program of Technical Assistance—was barely a year old. The International Bank had concentrated its energies mainly on the reconstruction of war-devastated areas and was only then in the process of shifting its activities more and more to the underdeveloped countries. The problems of economic development were, increasingly, commanding the attention of the members

of the United Nations. With growing recognition of these problems as they affected underdeveloped countries, the General Assembly was deeply concerned with ways and means of stimulating the international flow of public and private investment capital.

During the years since the Sixth General Assembly, as a member of the United States Senate, I have been in a position to continue to follow events in this field of economic development. I have been able to see for myself, in visits to many of your countries, the efforts being made, the successes achieved, and, I might say, some of the failures as well. May I add that I have also been able to understand some of the complex difficulties which remain to be surmounted.

There are many dark spots in the picture of economic development around the world. The great bulk of the job still remains to be done. But there are also encouraging aspects. You know them. You have seen them in the widespread determination of underdeveloped countries to rid themselves of institutions and practices which no longer respond to the needs of their peoples. You have witnessed them in the willingness of many countries to assist others to achieve more rapid

<sup>1</sup> Made in Committee II (Economic and Financial) (U.S. delegation press release 3004).



economic and social progress. You have sensed them in the development of institutions which provide the framework for international cooperation of a scope and variety little dreamed of only a few years ago. You have experienced them in the continuous search in which many of you have participated personally—the search for effective ways and means to help achieve our common goal of economic progress.

#### **Report of Preparatory Committee**

The report of the Preparatory Committee on the Special Fund,<sup>2</sup> which is now before this committee, is one result of this search.

Technology—that common treasury of tools and techniques—has been called man's primary economic resource. Without it, other resources continue to stagnate. With it, other resources may take on new dimensions of usefulness. Few questions are more urgent today than the question of how modern technology can be most quickly applied in underdeveloped countries. How can its benefits be spread to all the world's people?

At the last General Assembly my Government was convinced that the United Nations had a significant opportunity to assist in answering this question by making available technical aid of a kind not possible under the Expanded Program of Technical Assistance. To this end the United States delegation proposed and the General Assembly voted unanimously for the establishment of the Special Fund.<sup>3</sup>

The United States had the honor to serve on the Preparatory Committee, and the United States representative on that committee concurred in the report which is now before us. My delegation is happy, therefore, to join in cosponsoring the draft resolution<sup>4</sup> which, as recommended by the Economic and Social Council, incorporates the proposals of the Preparatory Committee.

That we concurred in the report of the Preparatory Committee does not mean that we were completely satisfied with the report in all respects. We had hoped, for example, that the Preparatory Committee would recommend that governments provide some minimum of convertibility in their contributions to the Special Fund. It was not possible to agree on this point. In view of the desirability of affording the fund maximum flexi-

bility and efficiency in its operations, we urge now that contributing governments make every effort to have their contributions readily usable by the fund for approved programs.

Another point, the question of the governing body to exercise control of the Special Fund, was one of the most difficult problems considered by the Preparatory Committee. As many of you know, the United States was convinced that the most efficient organization would be to have a single governing body responsible for both the Special Fund and the Expanded Program. In the interest of harmony, however, we agreed to the compromise arrangements contained in the committee's report.

We are acutely aware of the fact—a fact already emphasized by previous speakers—that the committee's recommendations represent the end product of weeks of careful negotiation and the accommodation of different views. My delegation, for one, can testify to the painstaking effort which was required to produce the structure which finally obtained the unanimous support of the committee. The difficulty was especially great because, as many of you are aware, the membership of the Preparatory Committee was very carefully selected so as to assure full consideration of the whole range of views represented in the United Nations.

In the light of these considerations my delegation hopes that all members of this committee will be prepared to accept the recommendations which have been submitted to us. We are convinced that to attempt now to recast the work of the committee in any significant way would reopen questions which might well cause the greatest difficulty.

#### **Purpose of Special Fund**

It is true, as has been so often emphasized, that the process of economic development requires not only such ingredients as domestic effort and technical assistance but also a crucial margin of foreign capital. It is also true that the Special Fund cannot do the job envisaged for a capital development fund. Does that mean, however, that it can make no contribution? Is it not a fact that a significant momentum of development cannot be obtained without knowledge of basic resources, without the technical skills to put them to use, and without trained personnel to work in

<sup>2</sup> U.N. doc. A/3908 and Corr. 1.

<sup>3</sup> BULLETIN of Jan. 13, 1958, p. 57.

<sup>4</sup> U.N. doc. A/C.2/L.363.

agriculture, industry, and administration? Is it not a fact that the Special Fund is designed precisely to assist countries in dealing with these basic requirements of economic growth? I urge, therefore, that we grasp this opportunity to make a new and important contribution to the economic development of the less developed countries.

The United States representative emphasized in this committee last year and the General Assembly recognized in resolution 1219<sup>5</sup> that the Special Fund, by creating conditions in underdeveloped areas that will make investment either feasible or more effective, will facilitate new investment of all types. In this way it will help to meet urgent requirements for capital in all underdeveloped countries.

The establishment of the Special Fund represents an important extension of the activities of the United Nations in the field of economic development. Success or failure in this effort will do much to determine the directions in which the United Nations may move in the same field in the future. This success or failure will be governed in large part by two factors: One is the extent to which projects into which the Special Fund is projected are well planned and integrated into national development programs. The other is the extent to which member states give the Special Fund their financial support.

With some exceptions, my Government has been disappointed by the responses thus far made to the Secretary-General's request that governments indicate the extent of their support of the Special Fund. My delegation hopes that final action by this General Assembly on the nature and structure of the Special Fund will make it possible for all member states, developed and underdeveloped, to give the fund their full financial support at the forthcoming pledging conference.

#### **U.S. Contribution**

My Government stands ready to help translate this project into the kind of concrete action which we believe will pay important dividends in the development of underdeveloped countries. As some of you may be aware, the Congress has provided for a combined U.S. contribution to both the Special Fund and the Expanded Program of

Technical Assistance of \$38 million—subject only to the percentage limitation prescribed by law.

Those of you who participated in the discussions on the establishment of the Special Fund during the 12th session will recall that at that time our legislation required a reduction in the United States share of contributions to the Expanded Program from 38 percent in 1959 to 33⅓ percent thereafter. You will also recall that Congressman Judd, who represented the United States in this committee, stated that he was prepared to go before the Congress to urge that the percentage of the United States contribution be stabilized at 40 percent, at least for several years. I, as a Democrat, can attest to the effectiveness of the efforts which Mr. Judd, as a Republican, put forth in the Congress of the United States in this connection. The Congress agreed to a 40 percent contribution to the Special Fund and the Expanded Program for the coming year. May I say out of the experience of many years of service in the Congress of the United States that that body may be counted upon to act generously in international matters if the ends for which it is called upon to act are clearly constructive and if other nations do their part.

Mr. Chairman, it has been said that the choice before us today is whether the world will produce for the needs of families or for the needs of armies. The world of tomorrow can be a world of peace, of growth, and of a progressive reduction of crushing and degrading poverty wherever it may exist. Working together through the United Nations, we have an opportunity to bring that kind of world into being. The Special Fund can be a milestone pointing in the direction of that kind of world. The United States delegation is prepared to join with others in erecting this milestone now.

#### **STATEMENT BY MR. PHILLIPS, OCTOBER 6<sup>1</sup>**

The most striking feature of the debate we have had on the Special Fund is not the small area of disagreement but rather the large area of agreement. Even the Soviet Union and Czechoslovakia, which last December were very critical of resolution 1219, have now come to look upon the Special Fund as a genuine step forward in pro-

<sup>5</sup> For text, see BULLETIN of Jan. 13, 1958, p. 71.

<sup>1</sup> Made in Committee II (U.S. delegation press release 3008).

viding assistance to the economic development of underdeveloped countries. This is encouraging. I recall that the Soviet Union at one time denounced the Expanded Program of Technical Assistance as a "cloak for imperialism" but 3 years later decided to participate in the Expanded Program. Mr. [G. P.] Arkadev's statement last week raises the hope that the Soviet Union this time may be somewhat quicker to recognize the value of a new program important to the development of underdeveloped countries—and to contribute resources to the program.

The Soviet representative also referred to a proposal by his Foreign Minister that the major powers reduce armaments by 10 to 15 percent and devote the savings therefrom to assistance for the economic development of the underdeveloped countries. Let us hope that this statement too will foreshadow a more generous attitude by the Soviet Government in contributing toward United Nations programs than has so far been the case. What is frankly needed is less talk and invective and more action in the form of material support. The Soviet Union currently contributes about one-fifteenth of the sum provided to the Expanded Program of Technical Assistance by the United States, although it boasts of military forces second to none and is constantly telling us of its amazing economic progress.

The idea of devoting savings from a reduction in armament expenditures for economic development is a very good one to which my country has subscribed for many years. You will recall that President Eisenhower in 1953<sup>7</sup> declared his readiness to recommend to Congress that part of the savings achieved through an agreement on internationally controlled disarmament should be devoted to a multilateral fund for economic assistance to underdeveloped countries. We have been striving for many years for such a disarmament agreement. We will continue to strive for it with every means at our command. In the meantime, however, we have not waited for disarmament before giving increased assistance to the less developed countries. As I mentioned earlier, the United States has been contributing from 14 to 15 times as much as the Soviet Union to the United Nations Expanded Program of Technical Assistance. Moreover, a very large part of the funds for the loans of over \$700 million in the past fiscal

year by the International Bank—most of which went to underdeveloped countries—came from United States sources.

In bilateral programs United Nations document E/3131 shows that during 1957 United States Government loans and grants to the less developed countries amounted to almost \$1½ billion. New United States private investments in these areas were of about the same magnitude. Thus, the United States provided almost \$3 billion in one form or another to help finance the economic development of the underdeveloped countries.

As for the immediate future, the United States Congress this spring authorized additional capital amounting to \$2 billion for the Export-Import Bank to be used in providing loans to foreign countries and an additional \$400 million for the Development Loan Fund for "soft" loans. In New Delhi this month my Government will propose substantial increases in the capital of the International Bank and in the quotas of the International Monetary Fund. It will also explore informally whether there is international support for the establishment of an International Development Association affiliated with the International Bank which would extend the same kind of assistance to the less developed countries which the advocates of a United Nations capital fund have long had in mind. I underscore the importance of this proposal. Its feasibility will largely depend on the willingness of members to contribute financial support. This, Mr. Chairman, represents action, not just words, in the field of economic assistance to the less developed countries.

#### **Question of Election of Governing Council**

We have before us two draft resolutions.<sup>8</sup> As several of our cosponsors have indicated, the only essential difference between them is on the question of whether the Economic and Social Council or the General Assembly should elect the Governing Council. The distinguished representative of Iraq has noted that there are five Council members cosponsoring L. 362 and eight cosponsoring L. 363; this happens to represent 30 percent of the number of cosponsors in each case. Both resolutions have many sponsors from the less developed countries. Moreover, as some of our cosponsors

<sup>7</sup> BULLETIN of Apr. 27, 1953, p. 599.

<sup>8</sup> U.N. docs. A/C. 2/L. 362, with 17 sponsors, and L. 363, with 27 sponsors, including the United States.

have indicated, a large number of sponsors of each resolution have long supported SUNFED. My delegation assumes that representatives—whether from India or Japan, the United Arab Republic or Argentina—have the will and the competence to protect the interests of their own governments and to cooperate in advancing the work of the United Nations.

We have given the most careful consideration to this question over the past 9 months, while preparing for the discussions of the Special Fund in the Preparatory Committee, the Economic and Social Council, and here at the General Assembly. The burden of proof for bypassing the Economic and Social Council in the election of the Governing Council would seem to us to lie with those who propose a departure from established practice. Yet we have heard no convincing argument for refusing to the Economic and Social Council its normal responsibility for electing the membership of United Nations bodies active in the economic and social field.

True to form, the Soviet representative has implied that there is some sinister motive behind the United States position—and, incidentally, the position of 26 cosponsors and many other delegations—on this basic matter of principle. It is an old trick in debate to question the motives of your opponent if you have no strong arguments against his position. The Soviet representative has implied that ECOSOC does not accurately reflect the United Nations membership and that therefore it should not be entrusted with the responsibility of electing the Governing Council. If he believes this, he will soon have an opportunity in this committee to support an appropriate increase in the membership of ECOSOC. The proposal to do so was endorsed by the ECOSOC at its 26th session. The vote was 16 for and 2 against. The negative votes were cast by the Soviet Union and Poland.

Those of us who support the Preparatory Committee's recommendation on election of the Governing Council by ECOSOC do so because we sincerely believe that both a principle and a precedent are involved. As far as the composition of the Governing Council is concerned, we believe it will not differ markedly whether the election is held by ECOSOC or by the General Assembly. Furthermore, the fact that six members of the Council must be elected annually affords ample opportunity for eventual participation by a large number of countries.

The overwhelming weight of principle and precedent favor election by ECOSOC. Let us look first at the United Nations Charter. Under articles 1 and 61-72, the Economic and Social Council is the United Nations body which has direct responsibility for United Nations activities "... to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character."

In particular, article 63 makes the Council responsible for coordinating the activities of the specialized agencies in economic, social, cultural, educational, health, and related fields. It is therefore entirely natural that in the case of all existing U.N. bodies in these fields election of members is by the Economic and Social Council. This applies to the Technical Assistance Committee, the Executive Board of the United Nations Children's Fund, the Executive Committee of the High Commissioner for Refugees, the Commission on Human Rights, the Commission on International Commodity Trade, and many others.

We agree with those who say that the Special Fund will be a very important program; we thought so when we proposed it last year and we still do. But would anyone argue that the protection of human rights, the welfare of children, social progress, and the Expanded Program of Technical Assistance are not important? The United Nations has given the Economic and Social Council full confidence in being directly responsible for these programs and in electing the governing bodies. This history and precedent was undoubtedly what the distinguished representative of Mexico had in mind when he said:

It appears regrettably that there is being created a sort of antagonism between the Assembly and the Council, the organ to which have been entrusted—and should continue to be entrusted—functions of great importance in matters which are precisely of its competence. If the Assembly entrusts to the Council the delicate task of supervising the activities of the Special Fund, how can it not show the same confidence with regard to the election of members of its Governing Council?

May I add that, if the Economic and Social Council were not worthy of confidence, it would be a serious reflection on the General Assembly, which, after all, elects the Council.

The distinguished representative of the Netherlands, in a cogent statement on this point, carefully outlined the reasons why the Preparatory Committee recommended that the Economic and



Social Council should elect the members of the Special Fund Governing Council. He said as follows:

At the present time there is no body operating within the United Nations in the economic and social framework of which the members are not elected by the Economic and Social Council. To deviate from the accepted principle that the Economic and Social Council will elect the members of bodies in the economic field might create in certain countries the impression that political motives had contributed to the decision to have the General Assembly perform this election. Such a belief could, even though it would probably be erroneous, in itself be detrimental to the widest possible support, especially financial support, to the Special Fund. On the other hand election by the Economic and Social Council would fit into a well established pattern.

The Netherlands representative made it very clear that this position on this matter of principle has nothing to do with the future of SUNFED. He emphasized that his delegation as well as many others cosponsoring resolution L. 363 continue to be firm supporters of SUNFED.

#### **Making the Special Fund Successful**

In conclusion, Mr. Chairman, I should like to say a few words about section III of resolution 1219. My delegation cooperated in drafting that section and has supported it fully. We continue to support it fully. Our only stipulation is that it be read to mean exactly what it says. It reads,

*Decides that as and when the resources prospectively available are considered by the General Assembly to be sufficient to enter into the field of capital development, principally the development of the economic and social infrastructure of the less developed countries, the General Assembly shall review the scope and future activities of the Fund and take such action as it may deem appropriate.*

Please note that the paragraph does not "bury" the idea of a U.N. capital development fund. Neither does it provide that the Special Fund shall become such a fund. It provides that, as and when resources prospectively available are considered by the General Assembly to be sufficient to enter into the field of capital development, the Assembly shall *take such action as it may deem appropriate*. Some delegations have expressed the hope that such action will be the establishment of SUNFED. I would assume this might mean a substantial reorganization of the machinery proposed for the Special Fund. It

might also take the form of encouraging the establishment of an international development association affiliated with the International Bank. In any event, we shall know better when the time comes what the appropriate action of the General Assembly will be.

My Government fully agrees that there should be a review at that time, and we attach no importance to the word "possible" appearing in paragraph I of the Preparatory Committee recommendation. In the meantime let us dedicate ourselves to making the Special Fund a successful venture fully supported by all members. Let us not so concentrate our thoughts on the future as to miss the constructive possibilities of the present. The Special Fund will not solve all problems of development, but it will, if properly supported and administered, make a highly significant contribution. My Government pledges its full support for the speedy establishment of this new and important addition to United Nations activities on behalf of the economic development of the less developed countries.

#### **STATEMENT BY MR. PHILLIPS, OCTOBER 13\***

As you know, section III of resolution 1219 was a very carefully balanced compromise between those who looked upon the Special Fund as a step toward a U.N. capital development fund and those who regarded it as a concrete step forward in its own right, leaving for future consideration the question of establishing a capital development fund. This compromise took a long time to work out and was accepted unanimously by Committee II.

On the basis of resolution 1219, including section III, my Government has been cooperating for almost a year with other governments in working out the terms of reference for the Special Fund. Now, as this fund is about to be born, we have had introduced at the very last moment—Friday, to be exact—an addition to section III which, in the view of my Government, upsets the carefully balanced compromise of last year. It is unfortunate that this new and very delicate element was introduced just at this moment. Having gone very far indeed in accepting and reaffirming the carefully

\*Made in Committee II (U.S. delegation press release 3018).

## **United States Pledges \$38 Million to ETAP and Special Fund**

*Statement by Senator Mansfield<sup>1</sup>*

The United States has been interested in the technical assistance activities of the United Nations and the specialized agencies since their beginnings. We regard the establishment of the Special Fund, which was ratified by this Assembly on Tuesday, as a step forward toward meeting the needs of newly developing countries which cannot now be met by the Expanded Program of Technical Assistance.

While these programs are specifically designed to meet the needs of less developed countries, in actuality they serve to benefit all countries through the interchange of peoples and ideas.

The United States Government is prepared to do its share in supporting these programs. We are hopeful that other governments will find themselves in a similar position and will be able not only to provide adequate funds for the Expanded Technical Assistance Program but also to make generous contributions to the Special Fund.

For calendar year 1958 the United States pledged the amount of \$15.5 million to the Expanded Technical Assistance Program subject to the limitation that the United States share would not exceed 45 percent of the total contributions to the central fund. The United States now pledges the amount of \$38 million to the Expanded Technical Assistance Program and the Special Fund for the calendar year 1959. This is subject to the limitation that the United States contribution will not exceed 40 percent of the total amount contributed to the two funds. The specific amounts to be made available to each fund will be announced at a later date after pledges from other governments are known.

We hope that this pledge, together with those of the other governments represented here, will enable the Expanded Technical Assistance Program to continue to develop and will permit the Special Fund to make an auspicious start in the important task which has been set for it.

<sup>1</sup> Made on Oct. 16 before the Pledging Conference on the Expanded Technical Assistance Program and the Special Fund (U.S./U.N. press release 3025).

balanced formula in section III of resolution 1219, my Government is unable at this time to accept any alteration in that balance. If the proposed amendment is pressed to a vote, the United States delegation will have to vote against it. Moreover, should the amendment be adopted, my delegation will be unable to accept the resolution as

a whole. It would in this case be necessary to refer the resolution to my Government for further review.

Most of you know how wholeheartedly my Government has been engaged in working with other governments to establish a Special Fund. You must know, therefore, how much we would regret any move that would jeopardize this program. I would, therefore, appeal to those who are supporting the amendment not to press it to a vote.

I know that some of you here attach importance to the idea of the proposed amendment. I fully respect your views and would certainly have no objection to having this same issue placed before the committee at a future date. I hope that others will have the same regard for the very strong feelings of the United States Government on this issue. With my faith in the usual good sense of this committee, I cannot believe that it will permit itself to be stampeded into a hasty act which might jeopardize the fullest possible cooperation by member governments in this program. The Special Fund is ready. As I suggested last week, let us not so concentrate our thoughts on the future as to miss the constructive opportunities of the present. Let us rather dedicate ourselves to making the Special Fund a successful venture fully supported by all members.<sup>10</sup>

## **STATEMENT BY SENATOR MANSFIELD, OCTOBER 14<sup>11</sup>**

Mr. President, the resolution on which we are about to vote represents many weeks of effort by many delegations. Very difficult questions were involved in defining the nature and structure of the Special Fund. However, the spirit of understanding and conciliation displayed has now made it possible to translate an idea into action.

During consideration of this matter in committee, many interpretations were made concerning the nature and significance of the Special Fund in the general context of efforts by the United

<sup>10</sup> On Oct. 13 Committee II, by a vote of 73 to 0, with 1 abstention, approved a draft resolution (U.N. doc. A/C.2/L.364, as amended) which consisted of the text common to the revised draft resolutions contained in A/C.2/L.362/Rev. 1 and A/C.2/L.363/Rev. 1.

<sup>11</sup> Made in plenary session (U.S. delegation press release 3021).

Nations to assist the economic development of the less developed countries. So far as the United States is concerned, let me say at the outset that its views remain those expressed by the United States representative to the General Assembly on December 14, 1957.<sup>12</sup>

Despite differences of view on this and other matters, however, the United States is persuaded that the establishment of the Special Fund will make the beginning of a new and important phase in the war which the United Nations has undertaken to wage against poverty, hunger, and disease wherever these may be found.

My delegation is satisfied that the Special Fund gives real promise of making a contribution to the progress of the less developed countries. As I emphasized previously in a statement in committee, no significant momentum of development can be attained without knowledge of basic resources, without the skills to put them to use, and without trained personnel to work in agriculture, industry, administration, and health. It is at these key points that the Special Fund can assist in bringing the world's knowledge and experience to bear on the problems of economic development.

The support which this resolution received in committee indicates the hope which nations place in the Special Fund. The fund is not, however, a self-operative or magical formula. If it is to fulfill its promise, all nations must make the effort—financial and otherwise—which will translate a paper resolution into an effective device of international cooperation. The first test of the will to make this effort shall come in just 2 days. At that time member states will be called upon to indicate the extent of their financial support for the fund. As has already been announced, the United States stands ready to make a combined contribution to both the Special Fund and the Expanded Program of Technical Assistance of \$38 million, provided adequate contributions are forthcoming from other member nations. I can only express the hope that others will see the potential benefits of this fund to the world as we see them and that they will dig down deeply in support of it. With mutual effort and determination, we can make the Special Fund an effective instrument for the greater well-being of all peoples.

My delegation is happy to vote for this resolution as is.

It is with deep regret that we cannot subscribe to the amendment offered by the distinguished delegate from India.<sup>13</sup>

## RESOLUTION ESTABLISHING SPECIAL FUND<sup>14</sup>

*The General Assembly,*

*In conformity with the determination of the United Nations, as expressed in its Charter, to promote social progress and better standards of life in larger freedom and, for these ends, to employ international machinery for the promotion of the economic and social advancement of all peoples,*

*Conscious of the particular needs of the less developed countries for international aid in achieving accelerated development of their economic and social infrastructure,*

*Recalling its resolution 1219 (XII) of 14 December 1957,*

*Further recalling previous resolutions on the establishment of an international fund for economic development within the framework of the United Nations,*

*Noting the recommendations contained in Economic and Social Council resolution 692 (XXVI) of 31 July 1958,*

### Part A

1. *Commends* the Preparatory Committee on its work;
2. *Establishes* a Special Fund in accordance with the provisions set forth in part B below:

### Part B

#### I. Guiding principles and criteria

1. Pursuant to the provisions of General Assembly resolution 1219 (XII) and pending a review by the Assembly of the scope and future activities of the Special Fund, as envisaged in section III of that resolution, the Special Fund shall:

(a) Be a separate fund;

(b) Provide systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the less developed countries;

(c) In view of the resources prospectively available at this time, which are not likely to exceed \$100 million annually, direct its operations towards enlarging the scope of the United Nations programmes of technical assistance so as to include special projects in certain basic fields as outlined hereunder.

The Special Fund is thus envisaged as a constructive advance in United Nations assistance to the less developed countries which should be of immediate significance in accelerating their economic development by, *inter alia*,

<sup>13</sup> In plenary session on Oct. 14 the representative of India reintroduced, as an amendment to paragraph 13 of the draft resolution, the proposal that the states members of the Governing Council be elected by the General Assembly instead of by the Economic and Social Council. The Indian proposal was rejected by a vote of 30 to 45, with 3 abstentions.

<sup>14</sup> U.N. doc. A/Res/1240 (XIII) (A/C.2/L.364, as amended); adopted in plenary session Oct. 14 by a vote of 77 to 0, with 1 abstention.

<sup>12</sup> BULLETIN of Jan. 13, 1958, p. 69.

facilitating new capital investments of all types by creating conditions which would make such investments either feasible or more effective.

2. In establishing programmes, the Managing Director and the Governing Council of the Special Fund shall be guided by the following principles and criteria:

(a) The Special Fund shall concentrate, as far as practicable, on relatively large projects and avoid allocation of its resources over a great number of small projects;

(b) Due consideration shall be given to the urgency of the needs of the requesting countries;

(c) Projects shall be undertaken which will lead to early results and have the widest possible impact in advancing the economic, social or technical development of the country or countries concerned, in particular by facilitating new capital investment;

(d) Due consideration shall be given to a wide geographical distribution in allocations over a period of years;

(e) Due consideration shall be given to technical organizational and financial problems likely to be encountered in executing a proposed project;

(f) Due consideration shall be given to the arrangements made for the integration of projects into national development programmes and for effective co-ordination of the project with other multilateral and bilateral programmes;

(g) In accordance with the principles of the Charter of the United Nations, the assistance furnished by the Special Fund shall not be a means of foreign economic and political interference in the internal affairs of the country or countries concerned and shall not be accompanied by any conditions of a political nature;

(h) Projects shall be devised in such a way as to facilitate transfer, as soon as practicable, of the responsibilities of the Special Fund to assisted countries or to organizations designated by them.

3. Projects may be for one country or a group of countries or a region.

4. Projects may be approved for the period of time needed for their execution, even if more than one year.

## *II. Basic fields of assistance and types of project*

5. The Special Fund shall assist projects in the fields of resources, including the assessment and development of manpower, industry, including handicrafts and cottage industries, agriculture, transport and communications, building and housing, health, education, statistics and public administration.

6. In view of the resources prospectively available at the time of the initial period of the Special Fund's operations, projects to be assisted by the Special Fund might be in one or a combination of the following forms: surveys; research and training; demonstration, including pilot projects. These may be implemented by the provision of staff, experts, equipment, supplies and services, as well as the establishment of institutes, demonstration centres, plants or works, and other appropriate means, including fellowships, in so far as they are integral parts of a specific project financed by the Special Fund, in such proportions as are judged necessary by

the Managing Director for each project, taking into account the type of assistance requested by Governments.

## *III. Participation in the Special Fund*

7. Participation in the Special Fund shall be open to any States Members of the United Nations, or members of the specialized agencies or of the International Atomic Energy Agency.

## *IV. Organization and management*

8. There are established as organs of the Special Fund: a Governing Council, a Managing Director and his staff, and a consultative board. The Special Fund shall be an organ of the United Nations administered under the authority of the Economic and Social Council and of the General Assembly, which will exercise in respect of the Special Fund their powers under the Charter.

9. The Economic and Social Council shall be responsible for the formulation of the general rules and principles which will govern the administration and operations of the Special Fund; the review of the operations of the Special Fund on the basis of the annual reports to be submitted by the Governing Council; and the consideration of the Expanded Programme of Technical Assistance and of the Special Fund in relation to each other.

10. The Economic and Social Council shall transmit the report of the Governing Council, together with its own comments, to the General Assembly. The Assembly will review the progress and operations of the Special Fund as a separate subject of its agenda and make any appropriate recommendations.

## *Governing Council*

11. The immediate inter-governmental control of the policies and operations of the Special Fund shall be exercised by a Governing Council which will consist of representatives of eighteen States.

12. The Governing Council shall provide general policy guidance on the administration and operations of the Special Fund. It shall have final authority for the approval of the projects and programmes recommended by the Managing Director. It shall review the administration and the execution of the Special Fund's approved projects, and shall submit reports and recommendations to the Economic and Social Council, including such recommendations as the Governing Council may deem appropriate in the light of the relevant provisions of General Assembly resolution 1219 (XII).

13. The States members of the Governing Council shall be elected by the Economic and Social Council from among Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency.

14. There shall be equal representation on the Governing Council of economically more developed countries, having due regard to their contributions to the Special Fund, on the one hand, and of less developed countries, on the other hand, taking into account the need for equitable geographical distribution among the latter members.

15. States members of the Governing Council shall be



elected for a term of three years, provided, however, that of the members elected at the first election, the terms of six members shall expire at the end of one year and the terms of six other members at the end of two years. Retiring members shall be eligible for re-election.

16. Decisions of the Governing Council on important questions shall be made by a two-thirds majority of the members present and voting. These questions shall include questions of policy, the approval of projects and the allocation of funds. Decisions of the Governing Council on other questions shall be made by a majority of the members present and voting.

17. The Governing Council shall adopt its own rules of procedure, including the method of selecting its officers.

18. The Governing Council shall normally meet twice a year and on such occasions as may be necessary, in conformity with its rules of procedure.

19. The Managing Director of the Special Fund shall participate without vote in the deliberations of the Governing Council.

20. The Governing Council shall make appropriate arrangements in its rules of procedure for the representation of the specialized agencies, the International Atomic Energy Agency and the Executive Chairman of the Technical Assistance Board. To this end, it shall take due account of the practice followed by the Economic and Social Council.

#### *Managing Director*

21. The Special Fund shall be administered by a Managing Director under the policy guidance of the Governing Council. The Managing Director shall have the overall responsibility for the operations of the Fund, with sole authority to recommend to the Governing Council projects submitted by Governments.

22. After having consulted the Governing Council, the Secretary-General will appoint the Managing Director, subject to confirmation by the General Assembly.

23. The Managing Director shall be appointed for a term of four years, or for a shorter period. He shall be eligible for reappointment.

24. Appropriate arrangements shall be made for the participation of the Managing Director in the Technical Assistance Board.

25. The Managing Director shall establish and maintain close and continuing working relationships with the specialized agencies concerned with those fields of activity in which the Special Fund will operate, and with the International Atomic Energy Agency. He may also establish appropriate contacts with other organizations which may be concerned with the activities of the Fund.

#### *Consultative Board*

26. A Consultative Board shall be established to advise the Managing Director. The function of the Board shall be to assist the Managing Director with advice in the examination and appraisal of project requests and proposed programmes of the Special Fund. The Board shall be composed of the Secretary-General of the United Nations, the Executive Chairman of the Technical Assistance Board and the President of the International Bank for

Reconstruction and Development or their designated representatives.

27. The Managing Director shall make, as appropriate, arrangements for representatives of the specialized agencies and of the International Atomic Energy Agency to be invited to the deliberations of the Consultative Board when projects falling mainly within their fields of activity are considered.

#### *Staff*

28. The Managing Director shall be assisted by a small group of officials to be selected by, or in consultation with him, on the basis of their special competence.

29. For other services, the Managing Director shall rely as far as possible on the existing facilities of the United Nations, the specialized agencies, the International Atomic Energy Agency, and the Technical Assistance Board. These facilities should be made available to the Special Fund without charge except when clearly identifiable additional expenses are involved. The Managing Director may also, as required, engage expert consultants.

30. To facilitate the field co-ordination between the Special Fund and the Expanded Programme of Technical Assistance in the countries seeking assistance, the Managing Director shall enter into an agreement with the Executive Chairman of the Technical Assistance Board concerning the role of the resident representatives in the work of the Fund.

### *V. Procedures*

#### *Sources and formulation of requests*

31. Projects shall be undertaken only at the request of a Government or group of Governments eligible to participate in the Special Fund.

32. Governments shall present their requests for assistance in a form indicated by the Managing Director. Requests shall include all possible information on the intended use and benefits expected to be derived from the Special Fund's assistance, evidence of a technical nature regarding the projects for which assistance is requested, data bearing upon the economic appraisal of such projects, and statements concerning the part of costs which the Government itself would be ready to assume. The Special Fund, the Expanded Programme of Technical Assistance, the United Nations, the specialized agencies and the International Atomic Energy Agency should be ready to assist and advise Governments at their request, in the preparation of their applications for assistance.

33. The Special Fund shall utilize only the official channel designated by each Government for the submission of requests.

#### *Evaluation and approval of requests*

34. The Managing Director shall be responsible for the evaluation of project requests. In this evaluation, he will normally be expected to rely upon the assistance of existing services within the Expanded Programme of Technical Assistance, the United Nations, the specialized agencies and the International Atomic Energy Agency. He shall also be authorized to contract the services of other agencies, private firms or individual experts for this purpose, in case the services of the United Nations, the spe-

cialized agencies or the International Atomic Energy Agency are wholly or partly unavailable or inadequate.

35. On the basis of the evaluation of project requests, the Managing Director shall periodically develop programmes for submission to the Governing Council. In developing his recommendations to the Governing Council, he shall consult the Consultative Board.

36. The Managing Director shall, at the request of the Government or Governments which have submitted such projects, submit to the Governing Council for its consideration a report on project requests which he has been unable to include in his programme.

37. The Governing Council shall examine the programmes and projects submitted by the Managing Director. Each project shall be accompanied by:

(a) An evaluation of the benefits expected to be derived by the requesting country or countries;

(b) A summary of its technical evaluation;

(c) A proposed budget showing the financial implications of the project in their entirety, including a statement on the costs which would be borne by the recipient Governments;

(d) A draft agreement with the requesting Government or Governments;

(e) When appropriate, a draft agreement with the agent or agents responsible for execution of the project.

38. The Governing Council shall take a final decision on the projects and programmes recommended by the Managing Director and authorize him to conclude the appropriate agreements.

#### *Execution of projects*

39. Projects shall be executed, whenever possible, by the United Nations, by the specialized agencies concerned, or by the International Atomic Energy Agency, it being understood that the Managing Director shall also be authorized to contract for the services of other agencies, private firms or individual experts in the cases mentioned in paragraph 34 above.

40. Arrangements for the execution of projects shall be subject to the approval of the requesting Government or Governments, and shall be specified in an agreement with these Governments. Such arrangements shall contain provisions regarding the cost, including any local costs, which the requesting Government will assume and those facilities and services it will provide.

41. Where requests for assistance fall within the sphere of two or more organizations, arrangements shall be made for joint execution by the organizations concerned and for proper co-ordination.

42. The Managing Director shall make appropriate arrangements to follow the execution of projects.

43. The Managing Director shall report to the Governing Council on the status of projects and the financial position of the projects and programmes.

44. The Managing Director and the Governing Council shall take appropriate measures to ensure an objective evaluation of the results of projects and programmes.

#### *VI. Finances*

45. The financial resources of the Special Fund shall be derived from voluntary contributions by Governments

of States Members of the United Nations, or members of the specialized agencies or of the International Atomic Energy Agency. The Fund is also authorized to receive donations from non-governmental sources. It is recommended that contributions by Governments should be paid as early in each year as possible. Furthermore, while contributions will normally be on an annual basis, it is recommended, in view of the expected longer term of many of the Fund's projects, that contributions be pledged or indicated, whenever possible, for a number of years.

46. The Secretary-General is requested to convene annually a pledging conference at which Governments would announce their contributions to the Expanded Programme of Technical Assistance and to the Special Fund respectively. If a Government pledges an initial lump sum, it should, within a reasonably short period, indicate the division of its contribution between the two programmes.

47. Contributions shall be made by Governments in currency readily usable by the Special Fund consistent with the need for efficiency and economy of the Fund's operations, or shall be transferable to the greatest possible extent into currency readily usable by the Fund. To this end, Governments are urged to make available as large a percentage as they may find possible of their contributions in such currency or currencies as the Managing Director may indicate are required for the execution of the Fund's programme. The Managing Director should, consistent with the criteria set forth respecting the nature and utilization of contributions, endeavour to make the fullest possible use of available currencies.

48. The Managing Director shall, at the end of the first year of the operations of the Special Fund and subsequently as he deems necessary, report to the Governing Council for its consideration on the extent to which restrictions which may have been maintained on contributions have affected the flexibility, efficiency and economy of the Fund's operations. The Governing Council shall also consider what action may be necessary with respect to currency found not readily usable in order to facilitate the Fund's operations. Any action in this respect shall be subject to review by the Economic and Social Council and the General Assembly.

49. Contributions shall be made without limitation as to use by a specific agency or in a specific recipient country or for a specific project.

50. To the end that the multilateral character of the Special Fund shall be strictly respected, no contributing country should receive special treatment with respect to its contribution nor should negotiations for the use of currencies take place between contributing and receiving countries.

51. Since programmes shall be developed on a project basis, there should be no *a priori* allocation of funds on a country basis or among basic fields of assistance.

52. Recipient Governments shall be expected to finance part of the costs of projects, at least that part payable in local currency. This general rule may, however, be waived in the case of countries deemed financially unable to make even a local currency payment.

53. The Special Fund shall be governed by financial

regulations consistent with the financial regulations and policies of the United Nations. The financial regulations for the Fund shall be drafted by the Secretary-General of the United Nations, in consultation with the Managing Director, for approval by the Governing Council, after review by the Advisory Committee for Administrative and Budgetary Questions. In the preparation of these regulations, account shall be taken of the special requirements of the Fund's operations; in particular, appropriate provision shall be made to permit the approval of projects of more than one year's duration and for an exchange of currencies between the Fund and the Special Account for the Expanded Programme of Technical Assistance. Provision should also exist under which the Managing Director is authorized in consultation with the Governing Council to establish appropriate financial rules and procedures.

54. The administrative budget prepared by the Managing Director with the assistance of the Secretary-General of the United Nations shall be submitted for approval to the Governing Council with the comments, if any, of the Advisory Committee on Administrative and Budgetary Questions. It shall be submitted to the General Assembly at the same time as the annual report of the Governing Council with the comments of the Advisory Committee on Administrative and Budgetary Questions.

55. The Special Fund shall be authorized to build up gradually a reserve fund by earmarking a specific percentage of the total contributions of each year up to an amount to be determined by the Governing Council on recommendation of the Managing Director.

56. The Governing Council shall be authorized to consider allocating part of the resources of the Special Fund for assistance on a refundable basis at the request of Governments for projects within the terms of reference of the Fund.

### *Part C*

*Reaffirms* the conditions set forth in section III of General Assembly resolution 1219 (XII), under which the Assembly shall review the scope and future activities of the Special Fund and take such action as it may deem appropriate.

## **Mr. Dillon Named Representative to OAS Special Committee**

Press release 612 dated October 14

Douglas Dillon, Under Secretary of State for Economic Affairs, has been named representative of the United States on the Special Committee of the Council of the Organization of American States that has been established to consider additional measures of inter-American economic cooperation.

The Special Committee was established by the Council of the Organization of American States

pursuant to a recommendation of the 21 Foreign Ministers of the American Republics at the close of their 2-day informal meeting at Washington September 23 to 24.<sup>1</sup> The Council has fixed November 17 as the date for the first meeting of the Special Committee.

Named as alternates to Under Secretary Dillon are Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, Jr., Assistant Secretary of State for Economic Affairs Thomas C. Mann, and Assistant Secretary of the Treasury Tom B. Coughran.

## **U.S. Delegations to International Conferences**

### **13th Session of Contracting Parties to GATT**

The Department of State announced on October 9 (press release 596) that two U.S. Senators and four prominent citizens will serve as advisers to the U.S. delegation to the 13th session of the General Agreement on Tariffs and Trade (GATT) at Geneva.

Senator Prescott Bush, a member of the Senate Banking and Currency Committee and the Senate Armed Services Committee, and Senator George A. Smathers, a member of the Senate Finance Committee and the Senate Interstate and Foreign Commerce Committee, will be congressional advisers to the delegation. The four nongovernmental advisers will be Mrs. Enid H. Robinson, Stanley H. Ruttenberg, Richard Wagner, and George H. Wilson.

The Department announced on October 15 (press release 615) that Under Secretary of State Douglas Dillon and Assistant Secretary of Commerce Henry Kearns will attend the 13th session of the General Agreement on Tariffs and Trade (GATT), which opens at Geneva on October 16 and will participate in the proceedings during the opening days of the session. The chairman of the U.S. delegation to the 13th session will be W. T. M. Beale, Jr., Deputy Assistant Secretary of State for Economic Affairs.

The United States played a leading role in negotiating the GATT in 1947 and since that date has made it the cornerstone of its commercial policy.

<sup>1</sup> For an announcement of the meeting and text of the communique, see BULLETIN of Oct. 13, 1958, p. 574.

The rules of the GATT are designed to reduce governmental interference with the flow of trade and with the exercise of private business initiative. It has become the basic instrument governing commercial relations between the United States and the principal trading nations of the free world. All together the 37 Contracting Parties to the GATT account for more than 80 percent of international trade.

The session will be confronted with trade matters of long-range importance and continuing concern as well as with a number of immediate problems that have arisen during the past year and that should be settled during the 4 to 6 weeks that the session is expected to last. Cabinet ministers from a number of GATT countries will attend the opening days of the session.

One feature of the 13th session will be the presentation of a report on long-term trends in international trade prepared by a panel of four internationally recognized economists headed by Prof. Gottfried Haberler of Harvard University. The panel's report was released to the public on October 12, under the title of *Trends in International Trade*. Among the matters dealt with in the report are trade problems of underdeveloped countries, price fluctuations of primary products, and agricultural protection.

A matter of immediate importance to the Contracting Parties is the question of the continued maintenance of import restrictions by the German Federal Republic. The GATT permits a country to place quotas on imports so long as such controls are required to safeguard its foreign-exchange reserves. The International Monetary Fund determined last year that, as a concomitant of Germany's economic revival, the Federal Republic was no longer experiencing balance-of-payments difficulties. Last spring the Intersessional Committee of the GATT reviewed this matter and urged Germany to bring its policies into conformity with the GATT.

At the intersessional meeting last spring the six signatories to the Rome treaty establishing the European Economic Community agreed to consult with those countries that were concerned over the possible effects of the treaty on their trade. It is hoped that these consultations will begin within the GATT framework while the 13th session is still in progress.

The agenda of the session also provides for con-

sultations with countries that are still imposing import restrictions to safeguard their balance of payments. Originally proposed by the United States, these consultations are intended to explore the need for and the techniques of applying quantitative restrictions. It is one of several methods whereby the U.S. Government seeks to reduce discrimination against American exports and to promote greater freedom of commerce.

Other matters to come before the Contracting Parties include annual reports under certain decisions taken in previous years, customs administration matters, comments on trends and developments in trade in primary commodities, and an exchange of views on the related issue of disposal of agricultural surpluses.

The U.S. delegation to the GATT is as follows:

#### *Ministerial Representatives*

Douglas Dillon, Under Secretary of State for Economic Affairs

Henry Kearns, Assistant Secretary of Commerce for International Affairs

#### *Chairman*

W. T. M. Beale, Jr., Deputy Assistant Secretary of State for Economic Affairs

#### *Vice Chairmen*

Marshall M. Smith, Deputy Assistant Secretary of Commerce for International Affairs

Albert E. Pappano, Chief, Commercial Policy and Treaties Division, Office of International Trade, Department of State

#### *Senatorial Advisers*

Prescott Bush

George A. Smathers

#### *Public Members*

Mrs. Enid H. Robinson, Hampton, Iowa

Richard Wagner, Champlin Oil and Refining Co.

George H. Wilson, American Farm Bureau Federation

Stanley Ruttenger, AFL-CIO

#### *Advisers*

Myron Black, Officer-in-Charge, Economic Organization Affairs, Office of European Regional Affairs, Department of State

Emerson Brown, Commercial Policy and Treaties Division, Office of International Trade, Department of State

Carl Corse, U.S. Mission to the European Communities, Department of State

John Czyzak, Office of the Legal Adviser, Department of State

A. Richard DeFelice, Deputy Assistant Administrator, Agricultural Trade Policy and Analysis Division, Foreign Agricultural Service, Department of Agriculture

Ethel Dietrich, Director of the Trade Division, U.S. Mission to the North Atlantic Treaty Organization, International Cooperation Administration



Morris J. Fields, Chief of the Commercial Policy and United Nations Division, Office of International Finance, Treasury Department

Earle Fox, Trade Policy Division, Foreign Agricultural Service, Department of Agriculture

Mortimer Goldstein, Assistant Chief, International Finance Division, Office of International Financial and Development Affairs, Department of State

G. Edward Galbreath, Executive Office of the President

Leonard R. Linsenmayer, Associate Director, Office of International Labor Affairs, Department of Labor

Richard L. Matthelsen, Assistant to the Director, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce

Virginia H. McClung, Office of International Resources, Department of State

Margaret Potter, U.S. Resident Delegation, Geneva, Department of State

John J. Schalet, Deputy Assistant General Counsel for International Affairs, Department of Commerce

Harry Shooshan, International Activities Assistant, Technical Review Staff, Department of the Interior

Clarence Siegel, Deputy Director, European Division, Office of Economic Affairs, Bureau of Foreign Commerce, Department of Commerce

## TREATY INFORMATION

### Educational Exchange Agreement Signed With Spain

Press release 621 dated October 16

Spain and the United States on October 16 signed an agreement putting into operation a new program of educational exchanges authorized by the Fulbright Act. The signing took place at Madrid with Fernando Maria Castiella, Minister of Foreign Affairs, representing the Spanish Government and John Lodge, Ambassador of the United States, representing the U.S. Government.

The agreement provides for the expenditure, over a 3-year period, of Spanish currency equivalent to \$600,000, received from the sale of surplus agricultural products in Spain, to finance exchanges of persons between the two countries to study, conduct advanced research, teach, or to engage in other educational activities. The purpose of this program will be to further mutual understanding between the peoples of Spain and the

United States through a wider exchange of knowledge and professional skills. Exchanges of persons under the Fulbright Act are carried out as a regular part of the international educational exchange program of the Department of State.

Under the terms of the agreement a binational commission, to be known as the Commission for Educational Exchange Between the United States and Spain, will be established in Madrid to facilitate the administration of the program. The Commission's board of directors will consist of 10 members with equal representation as to Spanish and U.S. citizens, in addition to the U.S. Ambassador, who will serve as honorary chairman. All recipients of awards under the program authorized by the Fulbright Act are selected by the Board of Foreign Scholarships, whose members are appointed by the President of the United States. The Board maintains a secretariat in the Department of State.

With the signing of this agreement Spain becomes the 40th country to participate in the educational exchange program authorized by the Fulbright Act. Approximately 33,000 exchanges have taken place since the legislation was enacted a little over 10 years ago. Educational exchanges heretofore have been carried out with Spain under the Smith-Mundt Act, the United States Information and Educational Exchange Act of 1948. The agreement will considerably augment the present number of exchanges with that country. Following appointment of the members of the Commission in Madrid and the formulation of a program of operations, information about specific opportunities available will be released.

### Current Actions

#### MULTILATERAL

##### Austria

State treaty for the reestablishment of an independent and democratic Austria. Signed at Vienna May 15, 1955. Entered into force July 27, 1955. TIAS 3298.  
Accession deposited: Brazil, September 15, 1958.

#### BILATERAL

##### Australia

Agreement for exchange of postal parcels between the United States and the Territory of Papua and the Trust Territory of New Guinea. Signed at Canberra May 22 and at Washington June 20, 1958. Entered into force October 1, 1958.

## DEPARTMENT AND FOREIGN SERVICE

### Ralph I. Straus To Assist With Mutual Security Study

Press release 628 dated October 18

#### Department Announcement

The Department of State announced on October 18 the appointment of Ralph I. Straus as a consultant to Douglas Dillon, Under Secretary for Economic Affairs, to assist in preparing a study of ways and means to expand the role of private enterprise in advancing the foreign policy objectives of the United States, and related matters. This study is called for by section 413 (c) of the Mutual Security Act, as amended, which requests that specific recommendations for legislative and administrative action be submitted to the next session of Congress.

The study will be conducted under the direction of Mr. Dillon, in collaboration with the Department of Commerce as well as the International Cooperation Administration and other interested agencies. Individuals and private organizations concerned with international trade, foreign investment, and business operations abroad will be consulted, as well as others interested in the conduct of the mutual security program.

Mr. Straus is a member of the board of R. H. Macy and Co., Inc., and has had several assignments with the International Cooperation Administration and its predecessor agencies.

#### Section 413 (c) of Mutual Security Act of 1954, as Amended<sup>1</sup>

Under the direction of the President, the Departments of State and Commerce and such other agencies of the Government as the President shall deem appropriate, in cooperation to the fullest extent practicable with private enterprise concerned with international trade, foreign investment, and business operations in foreign countries, shall conduct a study of the ways and means in which the role of the private sector of the national economy can be more effectively utilized and protected in carrying out the purposes of this Act, so as to promote the foreign policy of the United States, to stabilize and to expand its economy and to prevent adverse effects,

<sup>1</sup> Section 205 (j) (2) of Mutual Security Act of 1958.

with special reference to areas of substantial labor surplus. Such study shall include specific recommendations for such legislative and administrative action as may be necessary to expand the role of private enterprise in advancing the foreign policy objectives of the United States.

### Designations

Parker T. Hart as Deputy Assistant Secretary for Near Eastern and South Asian Affairs, effective October 19.

### Appointments

Robert Lawrence Berenson as director of the U.S. Operations Mission, Yugoslavia, effective October 16. (For biographic details, see Department of State press release 620 dated October 16.)

### Check List of Department of State Press Releases: October 13-19

Press releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Releases issued prior to October 13 which appear in this issue of the BULLETIN are Nos. 584 of October 6 and 596 and 599 of October 9.

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606	10/13	U.S. representatives named to surprise-attack talks (rewrite).
607	10/13	Salk vaccine to San Marino.
608	10/13	Murphy: "Academic Training and Career Diplomacy."
*609	10/13	Muller appointed ICA representative to Somalia (biographic details).
610	10/13	Navy Neptune case.
611	10/14	Meeting of U.S. senior economic officers in Europe.
612	10/14	Dillon named U.S. representative on OAS Special Committee.
613	10/14	Suspension of shelling of Quemoy (combined with No. 614).
614	10/14	Dulles: news conference.
615	10/15	13th GATT session delegation (rewrite).
616	10/15	Dulles: congressional political campaign (combined with No. 614).
*617	10/15	Investment guaranties.
618	10/15	Thai parliamentary group visits U.S.
†619	10/16	Supplementary income-tax protocol with U.K.
*620	10/16	Berenson named ICA director in Yugoslavia (biographic details).
621	10/16	Educational exchange agreement with Spain.
*622	10/17	Educational exchange (Netherlands).
†623	10/17	Dillon: "Problems Affecting International Trade."
*624	10/17	Educational exchange (Guatemala).
*625	10/17	Educational exchange (India, Latin America).
626	10/17	Korean Minister of Reconstruction visits U.S.
627	10/18	U.S. dependents allowed to return to Lebanon.
628	10/18	Straus appointed consultant to Under Secretary Dillon.

\* Not printed.

† Held for a later issue of the BULLETIN.

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